



University
of Glasgow

<https://theses.gla.ac.uk/>

Theses Digitisation:

<https://www.gla.ac.uk/myglasgow/research/enlighten/theses/digitisation/>

This is a digitised version of the original print thesis.

Copyright and moral rights for this work are retained by the author

A copy can be downloaded for personal non-commercial research or study, without prior permission or charge

This work cannot be reproduced or quoted extensively from without first obtaining permission in writing from the author

The content must not be changed in any way or sold commercially in any format or medium without the formal permission of the author

When referring to this work, full bibliographic details including the author, title, awarding institution and date of the thesis must be given

Enlighten: Theses

<https://theses.gla.ac.uk/>
research-enlighten@glasgow.ac.uk

THE UNION BANK OF SCOTLAND

1830-1885

NORIO TAMAKI

THESIS SUBMITTED TO THE DEPARTMENT OF ECONOMIC HISTORY, UNIVERSITY
OF GLASGOW, FOR THE DEGREE OF MASTER OF LETTERS, JUNE 1981

ProQuest Number: 10984242

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



ProQuest 10984242

Published by ProQuest LLC (2018). Copyright of the Dissertation is held by the Author.

All rights reserved.

This work is protected against unauthorized copying under Title 17, United States Code
Microform Edition © ProQuest LLC.

ProQuest LLC.
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106 – 1346

ACKNOWLEDGMENTS

This thesis is based on research carried out in the Department of Economic History, University of Glasgow, between 1979 and 1981. I am most grateful to Professor S.G. Checkland and Dr. C.W. Munn whose unfailing supervision, guidance and encouragement have enabled me to accomplish this work. Their writings on Scottish banking have been of invaluable assistance to me in solving questions which arose at every stage of my study.

Scottish banking has become an important research subject in recent years. Following the commissioning by the Institute of Bankers in Scotland of a history of Scottish banking, which became Professor Checkland's "Scottish Banking, A History", published in 1975, there have been widespread interest and considerable research. The preparation for this book encouraged the banks in Scotland to arrange for the National Register of Archives in Scotland to list all archive materials in their possession. This has resulted in an astonishing amount of material becoming available and I am grateful to Mr. W.T. Liddle of the Bank of Scotland for permission to use the archive material of the Union Bank of Scotland held at the Glasgow Chief Office - formerly the Head Office of the Union Bank - and at the Edinburgh Head Office. This present study of the Union Bank of Scotland would not have been possible without access to a wide variety of original and hitherto unused materials. A debt of gratitude is also due to Mr. A.B.M. Scott and Mr. D. Burns at the Glasgow Chief Office and Mr. R. Perkins of the Edinburgh Head Office, who have been of considerable assistance, giving me generous facilities in their archives.

A special vote of thanks is due to Mrs. E.O.A. Checkland who has read my drafts at all stages, giving me numerous comments and suggestions. I am grateful to her for the generosity shown throughout my research.

I am indebted to the staff of the Department of Economic History whose readiness to respond to my demands was indispensable for the progress of my work. The staff of the Glasgow University libraries and Archives and of the Mitchell Library were excellent in their professional services. I am especially grateful to Mrs. M. Manchester of Baillie's Library and to Mr. M.S. Moss, Dr. D.A. Dow and Mr. J. Emery of the University Archives.

At all stages in my writing of this thesis, Professor Checkland, Dr. Munn and Mrs. Checkland have corrected my faulty English. Miss J.W. Taylor has also helped me in this way and kindly answered my grammatical questions. I am grateful to all. I am also indebted to Mrs. I. Burnside for her excellent typing of the final draft. Responsibility for errors remains mine alone.

Keio University, Tokyo, in which I have a lectureship, has supported my research in Glasgow for more than two years. I thank Keio University and my colleagues for their generosity. The last, but not least, debt of gratitude is due to my wife, Setsuko, who has assisted me in typing drafts and preparing tables and maps. Without her assistance, my work could not have been done so efficiently.

Norio Tamaki.

ACKNOWLEDGMENTS	i
TABLE OF CONTENTS	iii
SUMMARY	viii
LIST OF DIAGRAMS	x
LIST OF MAPS	xi
LIST OF TABLES	xi
LIST OF ABBREVIATIONS	xv

TABLE OF CONTENTS

	<u>Page</u>
<u>INTRODUCTION</u>	
1. SCOTTISH BANKING AND THE WEST OF SCOTLAND, 1800-1829	1
2. THE UNION BANK OF SCOTLAND	8
 <u>CHAPTER 1</u>	
<u>FORMATIVE YEARS, 1830-1844</u>	
1. THE ESTABLISHMENT OF THE GLASGOW UNION BANKING COMPANY, 1830	
(1) The Birth of the First Joint-Stock Bank in Glasgow	11
(2) The Opening of Business	17
(3) The First Business Year of the Bank, May 1830 - May 1831	19
2. YEARS OF STEADY GROWTH, 1831-1836	
(1) The Beginnings of Trial	22
(2) The Assets Management of the Bank	23
(3) The Organisation of the Bank	26
3. THE AGE OF AMALGAMATION, 1836-1844	
(1) Amalgamation and Competition	29
(2) The Rapid Growth of Advances and the Emergence of Overdrafts	32
(3) Increases in Investments	39
(4) The Case Study of Amalgamations	40

4. THE EMERGENCE OF THE UNION BANK OF SCOTLAND AS A NATIONAL BANK IN 1844	55
------------------------------------------------------------------------------	----

CHAPTER 2

RAPID GROWTH, 1844-1858

1. CO-OPERATION AND COMPETITION	61
2. BUSINESS IN THE RAILWAY AGE	
(1) The Innovation of a New Method of Advances and an Increase of Acceptance Business	69
(2) Railway Financing	74
(3) 'Illegal' Foreign Investments and the Purchase of Union Bank Stock	80
(4) The London Correspondents and International Banking Connection	82
3. THE REORGANISATION OF THE BOARD OF DIRECTORS AND THE EXPANSION OF THE BRANCH NETWORK	
(1) The Dual-Board System	84
(2) The Expansion of the Branch Network	89
(3) The Emergence of a Hierarchy in Staff Organisation	94
4. THE LAST TWO TAKE-OVERS; INVASION OF THE NORTH AND EAST	
(1) The Take-over of the Banking Company in Aberdeen, 1849	97
(2) The Take-over of the Perth Bank, 1857	98
(3) The Second Amalgamation Movement	99
5. THE CRISES OF 1847 AND 1857	102
(1) The 1847 Crisis	103
(2) The 1857 Crisis	104

CHAPTER 3THE UNION BANK OF SCOTLAND AT ITS ZENITH,
1858-1865

1. THE APPOINTMENT OF CHARLES GAIRDNER AS JOINT MANAGER IN 1862	115
2. BUSINESS IN SEARCH FOR STABILITY	
(1) Canniness in Lending	120
(2) Consols as the Main Outlet for Investments	124
(3) The Scheme of a 'Joint London Office'	126
(4) Cartel on Interest Rates	129
(5) The Consolidation of the Branch Network	131
3. MONEY FLOW OF THE UNION BANK OF SCOTLAND	134
4. THE UNION BANK OF SCOTLAND AT ITS ZENITH	138

CHAPTER 4YEARS OF DIFFICULTY, 1865-1879

1. THE FAILURE OF TWO LONDON FIRMS	141
2. BUSINESS IN DIFFICULTY	
(1) The Decrease of the Glasgow Business and the Emergence of Sectoral Preference	148
(2) The Commencement of Foreign Investments	157
(3) The Scottish Invasion of England and the London Office of the Union Bank	160
3. CONSOLIDATION OF THE ORGANISATION	
(1) Charles Gairdner, the General Manager	168
(2) The Further Consolidation of Branches	170
(3) Recruitment, Transfers and Salaries of the Staff	173

Page

4. THE UNION BANK OF SCOTLAND IN THE GENERAL CRISIS of 1878	179
----------------------------------------------------------------	-----

CHAPTER 5STAGNATION, 1879-1885

1. THE ADOPTION OF AN EXTERNAL AUDIT	187
2. BUSINESS IN THE 'GREAT DEPRESSION'	
(1) Money Flow to London	196
(2) A Full Range of Investments	206
3. THE UNION BANK OF SCOTLAND AND INDUSTRIES	207
(1) The Haputale Coffee Co. and the Castle Packet Co.; Directors' Concerns	208
(2) J. & G. Thomson Financing	212
4. THE STRUCTURE OF THE UNION BANK OF SCOTLAND	
(1) Directors vs. Shareholders	221
(2) The Change of the Pattern of Branch Network	227
(3) The Structure, 1885	233
5. CHARLES GAIRDNER: ACCOUNTANT, STOCKBROKER, ECONOMIST AND BANKER	245

CONCLUSIONDEVELOPMENT AND STAGNATIONOF THE UNION BANK OF SCOTLAND

1. THE GLASGOW CHALLENGE	259
2. THE AMALGAMATION MOVEMENT	262
3. COMPETITIVENESS	264
4. THE MANAGEMENT OF ASSETS	265

	<u>Page</u>
5. SECTORAL LENDING	268
6. MONEY FLOW	269
7. LEADERSHIP	271
8. LIFE CYCLE	274

APPENDICES

BIBLIOGRAPHY

SUMMARYTHE UNION BANK OF SCOTLAND, 1830-18851. FORMATIVE YEARS, 1830-1844

Responding to the development of the economy in the West of Scotland, Glasgow businessmen joined forces to create the first joint-stock bank based in Glasgow, the Glasgow Union Bank, in 1830. The Union Bank grew steadily and, in the mid-1830's, it embarked upon a new era of amalgamations, which were unprecedented in Scottish banking and unsurpassed by any other bank, resulting in a remarkable development in its business and its dimensions. Though its branch network was confined primarily to the West and Central regions, the Union Bank successfully and firmly laid its basis in Scottish banking between 1830 and 1844, pioneering the age of Glasgow joint-stock banking which began to challenge energetically the traditional Edinburgh banking.

2. RAPID GROWTH, 1844-1858

The Union Bank owed its rapid growth to two factors. In the first place, it took the opportunity in the expanding British economy to finance primarily two sectors, transport, mostly railway companies, and trade, mainly merchants engaged in foreign trade. In the second place, the Union Bank accomplished another two take-overs - the banks in the North and East where it had not yet built up its branch network. This rapid growth, which was similar to that of the collapsed Western Bank of Scotland, implied a potential risk of excessive expansion of the business. But the Union Bank at the same time established a kind of 'fail safe' in its own structure, that is, a dual board system and a well-balanced branch network which penetrated into the North and East. The Edinburgh board of directors, which pursued a policy of stability and had realised the importance of a reserve policy, from time to time disciplined their Glasgow counterparts, who followed an expansionist policy. The equilibrium between the two boards was lost in the hectic years of the British economy during the 1850's. The result was difficulties in 1857, which were weathered by the well-balanced branch network and reserve policy.

3. ZENITH, 1858-1865

The experience of the 1857 crisis and the successive failures of large borrowers in the early 1860's resulted in a great change in the policy and management of the Union Bank, and in this the Edinburgh directors took the initiative. They selected Charles Gairdner, an experienced and careful person, as a manager and he revised the whole conduct of the business under their support. The expansionist policy was extinguished. Ironically, while disciplining the conduct of its business, the Union Bank reached its zenith, ranking second to the Royal Bank of Scotland in order of importance.

4. YEARS OF DIFFICULTY, 1865-1879

Consolidation, which became the policy of the Union Bank, showed itself in two respects. The Union Bank gradually changed its assets management in which advances on safer securities were preferred to those on discount and investments increased. This feature of its portfolio was further strengthened by the experience of the failures of two large London firms engaged in foreign trade and financing. The Union Bank also changed its attitude towards branch establishment, becoming increasingly reluctant to widen its network. The policy of safety and consolidation was headed by Charles Gairdner who was increasing his power in the Union Bank against a background of the Bank's shrinking importance in Scottish banking. The general crisis of 1878, which engulfed the City of Glasgow Bank, also damaged the public face of the Union Bank, the only surviving large-scale Glasgow-based bank.

5. STAGNATION, 1879-1885

To allay public distrust of the large-scale Glasgow bank, the Union Bank had to resort to the adoption of the external audit system, and so successfully recovered its public image. None the less, another difficulty thrust itself upon the Union Bank, that is, the Thomson affair. In order to tide them over this problem, the Union Bank again had recourse to an unusual step, that is, intervention in the management of the customer. The last years of our period, thus, witnessed incessant trouble during which the Union Bank sank into sixth place in the ranking of the Scottish banks, the worst position since the disclosure of the Scottish bank balance sheets in 1865. Initiative was eclipsed and the Union Bank of Scotland stagnated.

LIST OF DIAGRAMS

	<u>Page</u>
Chapter 4	
1. Growth Rates of Total Liabilities: Union Bank and Scottish Total, 1866-1879	145
2. Union Bank: Growth Rates of Deposits, Advances, Investments and Profits, 1866-1879	146
3. Scottish Total: Growth Rates of Deposits, Advances, Investments and Profits, 1866-1879	147
4. Total Liabilities and Advances and Proportions among Methods of Advances at Glasgow Head Office, 1866-1879	151
5. Proportions of Total Liabilities: Edinburgh, North and Glasgow Based Banks, 1866-1885	185
6. Proportions of Profits: Edinburgh, North and Glasgow Based Banks, 1866-1885	186
Chapter 5	
1. Union Bank: Growth Rates of Total Liabilities, Deposits, Advances, Investments and Profits, 1879-1885	188
2. Scottish Total: Growth Rates of Total Liabilities, Deposits, Advances, Invest- ments and Profits, 1879-1885	189
3. Proportions of Methods of Advances: Union Bank as a Whole, Glasgow Head Office and London Office, 1880-1885	201
4. Profits of the Union Bank of Scotland in comparison with the Clydesdale Bank and the Bank of Scotland, 1879-1885	222
5. Structure of the Union Bank of Scotland, 1885	244

LIST OF MAPS

		<u>Page</u>
Chapter 1	1. Bank Offices in Glasgow, 1830	12
	2. Move of the Glasgow Head Office of the Union Bank and Glasgow Banking Centre in 1844	60
Chapter 4	1. Transfer of Staff	176
Chapter 5	1. Regional Distribution of Branches of the Union Bank of Scotland, 1844	229
	2. Regional Distribution of Branches of the Union Bank of Scotland, 1858	230
	3. Regional Distribution of Branches of the Union Bank of Scotland, 1885	231

LIST OF TABLES

Introduction	1. Scottish Banks, 1800 and 1829	1
	2. Liabilities/Assets of Scottish Banks, 1802 and 1825	2
	3. Banking Offices in Glasgow, 1809 and 1829	7
Chapter 1	1. Regional Distribution of Shareholders, 1830	16
	2. Occupational Distribution of Shareholders, 1830	16
	3. Methods of Advances, 1831 and 1836	24
	4. Establishment of Joint-Stock Banks, 1830-1844	31
	5. Methods of Advances, 1837 and 1844	33
	6. Amalgamations of the Union Bank of Scotland, 1836-1843	51
	7. Joint-Stock Banks and Amalgamations, 1830-1844	53

	<u>Page</u>
Chapter 2	
1. Growth of Liabilities, 1844-1858	68
2. Methods of Advances, 1845-1858	70
3. Main Railway Investments, 1852	79
4. Investments, 1845-1852	81
5. Edinburgh Balance Sheet, June 1846	85
6. Number of Branches in the late 1840's and 1850's	89
7. Number of Branches of Scottish Banks: Ranking in 1848, 1856 and 1857	91
8. Glasgow Head Office Staff and Salaries in the 1840's and 1850's	95
9. Amalgamations of the Union Bank of Scotland in 1849 and 1857	100
10. Doubtful Borrowers in 1847	103
11. Pattern of Branch Network in the late 1850's	112
12. Dimensions of Glasgow, Edinburgh and North- & East- Based Banks, 1848, 1856 and 1857	114
Chapter 3	
1. Methods of Advances, 1859-1865	121
2. The Transfer of Consols, 1862-1865	124
3. Main Investments, 1859-1865	125
4. Correspondents in the British Isles and on the Continent, 1858-1865	127
5. Regional Distribution of Advances and Deposits, 1860-1865	135
6. Advances per Total: Regional Pattern, 1860-1865	136
7. Deposits per Total: Regional Pattern, 1860-1865	136
8. Advances as Percentages of Deposits: Regional Pattern, 1860-1865	136
9. Average Deposits per Office: Regional Pattern, 1860-1865	137
10. Main Items of Balance Sheets, 1859-1865	139
11. Advances and Investments as Percentages of Deposits, 1859-1865	140

	<u>Page</u>
Chapter 4	
1. Business at Glasgow Head Office, 1866-1879	149
2. Sectoral Preference, 1866-1879	153
3. Thomson Financing, 1865-1878	156
4. Investments, 1866-1874	157
5. U.S. Investments in the mid-1870's	159
6. Growth of Acceptances and London Drafts, 1866-1877	161
7. Growth Rate of Note Issue: Scottish Total and Union Bank, 1866-1879	163
8. London Office Staff in March 1878	166
9. Directorate, 1869	168
10. Regional Proportions of Losses at Branches, 1866-1879	171
11. Salaries at Glasgow Head Office, 1866-1879	178
12. Offers of Union Bank Stock between November 1878 and April 1879	183
Chapter 5	
1. Acceptance Business, 1879-1885	194
2. Methods of Advances of the Union Bank as a Whole, 1880-1885	197
3. Methods of Advances of the Glasgow Head Office, 1880-1885	198
4. Business at the London Office, 1881-1884	199
5. Deposits and Advances at the Edinburgh Office and its Branches, 1880-1885	202
6. Deposits and Advances at Other Branches, 1880-1885	202
7. London Deposits (Estimate), 1880-1885	203
8. London Business as Percentages of Estimated London Deposits, 1881-1884	203
9. Special Advances, 1879-1885	207
10. Advances to the Haputale Coffee Co.	209
11. Advances to the Castle Packet Co.	211
12. Estimated Profits of Thomsons'	220

	<u>Page</u>
13. Ownership of the Union Bank, 1885	225
14. Large Shareholders, 1885	226
15. Number of Branches, 1844, 1858 and 1885	229
16. Years and Places of Entrance to the Union Bank of Edinburgh Staff	235
17. Salaries of the Union Bank Staff, 1880-1885	237
18. Salaries of Major Officials of the Union Bank, 1885	238
19. Edinburgh Staff of the Union Bank, 1881-1885	239
20. Average Salaries of Lower Staff at the Glasgow and Edinburgh Head Offices of the Union Bank, 1882-1885	241
21. Salaries of Some Agents of the Union Bank, 1879-1885	242
22. Scale of Salaries at the Glasgow Head Office in the Early 1880's	243
23. Directorate, 1879-1885	252
 Conclusion	
1. Major Amalgamations, 1830-1879: Location of Absorbed Banks	263
2. Major Amalgamations, 1830-1879: Periodical Distribution	263
3. Advances and Investments as Percentages of Deposits, 1866-1885	267
4. Liquid Assets as a Percentage of Deposits, 1866-1885	270

LIST OF ABBREVIATIONS

B.L.C.	British Linen Co.
B.S.	Bank of Scotland
C.B.S.	Commercial Bank of Scotland
Cl.B.	Clydesdale Bank
G.H.	Glasgow Herald
G.L.	Charles Gairdner's Incoming Letters
G.U.A.	Glasgow University Archives Collection
N.B.S.	National Bank of Scotland
R.B.S.	Royal Bank of Scotland
S.B.M.	Scottish Bankers' Magazine
S.J.P.E.	Scottish Journal of Political Economy
T.B.R.	Three Banks Review
T.P.	J. & G. Thomson MSS Papers

U.B.	Union Bank of Scotland
U.B.A.A.B.	U.B. (Glasgow) Abstract Annual Balance
U.B.A.Q.B.	U.B. (Glasgow) Abstract Quarterly Balance
U.B.G.C.	U.B. (Glasgow) General Circular
U.B.G.L.	U.B. (Glasgow) General Ledger
U.B.H.C.	U.B. (Glasgow) Head Office Circular
U.B.M.	U.B. Minute Book of the Glasgow Committee of Directors
U.B.M.A.	U.B. Minute Book of the Sub-Committee "A" of the Glasgow Committee of Directors
U.B.M.B.	U.B. Minute Book of the Sub-Committee "B" of the Glasgow Committee of Directors
U.B.M.E.	U.B. Minute Book of the Edinburgh Committee of Directors
U.B.M.G.B.	U.B. Minute Book of the General Board of Directors
U.B.P.J.	U.B. (Glasgow) Private Journal
U.B.P.L.	U.B. (Glasgow) Private Ledger
U.B.S.B.	U.B. (Glasgow) Secretary's Private Letter Book

INTRODUCTION

1

SCOTTISH BANKING AND THE WEST OF SCOTLAND, 1800-1829

The Scottish banks in 1800 were grouped into three categories; the public banks composed of the Bank of Scotland (est. 1695), Royal Bank of Scotland (est. 1727) and British Linen Co. (est. 1746), all of which were set up on the joint-stock principle with limited liability as a product of public authority; fifteen private banks, which were small partnerships based mostly on Edinburgh, primarily non-note-issuers acting as intermediaries between the public banks and customers; and sixteen provincial banks, which were note-issuers located in towns other than Edinburgh and ranging from firms of partnerships to those formed as co-partneries.¹ At the turn of the century, Scottish banking was a three-tier structure.

Between 1800 and 1829, the Scottish system began to change. As table Intro. 1 suggests, one constituent, that is, the private

Table Intro. 1Scottish Banks, 1800 and 1829

	<u>1800</u>	<u>1829</u>
1. Public Banks	3	3
2. Private Banks		
a. Edinburgh	13	8
b. Glasgow	2	1
3. Provincial Banks		
a. Glasgow	3	3
b. West	4	5
c. Rest	9	13
4. Joint-Stock Banks		
a. Edinburgh	0	2
b. Glasgow	0	0
c. Aberdeen	0	1
	<u>34</u>	<u>36</u>

Sources: S.G. Checkland, 1975, tables 3 and 9.

C.W. Munn, 1981, tables 5, 9 and 11.

1. S.G. Checkland, 1975, chapter 6. C.W. Munn, 1981, introduction.

banks, lost ground. More than one third of the private banks disappeared from the Scottish scene. Only relatively large scale firms like Sir William Forbes, James Hunter & Co., could survive. Up to 1829 only three firms set up as private banks, and nine firms failed or retired. The provincial banks were also heading for the same fate. From 1801 to 1829, nineteen made a beginning, but fourteen failed or retired or made their business over to others.¹ Their shares in the Scottish total liabilities/assets fell, remarkably, to less than one third in 1825 as table Intro. 2 sets out. The eclipse of private and provincial banks was due to the fact that their capabilities were overtaken by the growth of the Scottish economy.

Table Intro. 2

Liabilities/Assets of Scottish Banks, 1802 and 1825:£1,000

	<u>1802</u>	<u>%</u>	<u>1825</u>	<u>%</u>
1. Public Banks	6,645	54	11,263	46
2. Private Banks	1,100	9	1,009	4
3. Provincial Banks	4,527	37	5,735	24
(Glasgow based)	(931)	(8)	(1,104)	(5)
4. Joint-Stock Banks	0	0	6,412	26
	<u>12,272</u>	<u>100</u>	<u>24,419</u>	<u>100</u>

Source: S.G. Checkland, 1975, tables 8 and 14.

In place of the declining private and provincial banks, there emerged a new constituent in Scottish banking, that is, the joint-stock bank, which was created on the principle of co-partnership, as indeed were the provincials, but on an unprecedentedly large scale. First, in 1810, came the Commercial Bank of Scotland, based in Edinburgh, with a capital of £3m, 673 shareholders and 14 branches by 1815, and whose success encouraged another two to enter the system in the boom of 1825; the National Bank of Scotland in Edinburgh and the Aberdeen Town & County Bank. The emergence of large scale joint-stock banking was due entirely to the expanding economy during the first quarter of the nineteenth century, during

1. S.G. Checkland, 1975, tables 3 and 9. C.W. Munn, 1981, chapters 4 and 5.

which the three public banks were not sufficiently active in supplying adequate funds.¹ The addition of three joint-stock banks to the public banks resulted in a tremendous proportion of large scale joint-stock banking, which amounted to nearly three quarters of the total Scottish liabilities in 1825. The age of large scale joint-stock banking had arrived in Scotland.

Successful joint-stock and provincial banking in Scotland, where no legal restriction was laid against it, led Thomas Joplin, "a Newcastle timber merchant with local experience of banking disasters,"² to argue for the adoption of the same system in England and Wales, and the monopoly of the Bank of England, was, indeed, mitigated by the Act of 1826, the process of which legislation, however, once caused a fear that the Scottish banks would be deprived of the right of small note-issues. In his argument Joplin did not forget to add that,

"In addition, however, to their success, some of the Scotch Banks have very considerable capital, particularly the Edinburgh Banks, which have from five to fifteen hundred thousand pounds each."³

and that,

"The Edinburgh Banks have agencies, and do business to a great amount, in all the principal towns of Scotland, which no doubt is on the aggregate found to pay them."⁴

Indeed, the superiority of Scottish banking over its English and Welsh counterpart was mainly the feature of Edinburgh banking. There was no joint-stock bank outside Edinburgh, except in Aberdeen. There was not yet a joint-stock bank in the industrial West, where the cotton industry equipped with power looms was rapidly growing, taking the place of the traditional linen industry, and Neilson's hot blast was about to be adopted by the iron industry during the late 1820's.⁵ Even in Glasgow which had become

1. S.G. Checkland, 1975, chapter 10.

2. E. Nevin and E.W. Davis, 1970, p.58.

3. T. Joplin, 1827, p.10.

4. Ibid., p.54.

5. T.C. Smout, 1969, pp.196-7, 233. A. Slaven, 1975, pp.97-102.

the largest town in Scotland,¹ there were only four small scale banks, whose proportion in the total Scottish liabilities was as little as 5% in 1825 (table Intro. 2). Consequently, banking facilities in Glasgow and the West had to be provided by banks based in other towns, particularly Edinburgh.²

Why could not Glasgow and the West take the initiative in creating their own joint-stock bank? Were merchants and land-owners in the West reluctant to establish their own banks? In retrospect the reverse is true, at least in the eighteenth century. In the first place, the Glasgow merchants set up three banking houses based on their wealth created in the tobacco trade in the middle of the eighteenth century; the Ship Bank of Dunlop, Houston & Co. in 1749, the Arms Bank of Cochrane, Murdoch & Co. in 1750 and the Thistle Bank of Maxwell, Ritchie & Co. in 1761.³ Originally the Ship and Arms Banks started their banking business as agencies of the Bank of Scotland and the Royal Bank and then became independent after a successful confrontation with the parent concerns. This was the very first rivalry between the two banking centres. Unfortunately for the Glasgow merchants, the American war, which had broken out in 1776, damaged the basis of their banking business. Thus, the Arms Bank dropped out in the 1793 crisis along with a scheme for a joint-stock bank, which will be discussed later, and the younger Merchants Bank (est. 1769), and the surviving two lost ground.⁴

The second initiative came from further west than Glasgow, from the Bank in Ayr of Douglas, Heron & Co., established in 1769. The short life of the Ayr Bank brought drama to banking. The Ayr Bank was the first substantial banking concern outside Edinburgh, being led by many lowland lairds of the first rank. It soon established seven branches, invading Edinburgh and taking over two provincial banks. In spite of its aggressiveness, the Ayr Bank was not openly opposed by the public banks, perhaps because "they knew that it was hopeless to oppose so powerful a company, with

1. T.C. Smout, 1969, p.243.

2. S.G. Checkland, 1975, pp.417-8. A. Slaven, 1975, pp.52-3.

3. T. Devine, 1975, p.93.

4. S.G. Checkland, 1975, chapters 5 and 6.

the backing of vast acres and prestigious titles."¹

The initial success of the Ayr Bank seems to have been promising and its Bank notes spread over the country through its agents. Liberal cash credits and discounts, which the public banks tended to avoid, were given to the proprietors as well as to the public. From this over-enthusiasm came disaster. In 1772, when the Scottish economy witnessed overtrading which the Ayr Bank had itself accelerated, the Bank encountered difficulties and collapsed in the wake of the rejection of its appeal for assistance to the Bank of England and the public banks.² The Ayr Bank, through its wide note circulation and liberal lending policy, contributed to the setting up of note exchange and the expansion of the Scottish economy in the late eighteenth century, and left a substantial effect on the later development of banking in the West. Its performance made the West and Glasgow increasingly notorious with regard to speculation. Indeed, in 1803, thirty years afterwards, when Robert Scott Moncrieff, joint-agent of the Royal Bank in Glasgow, asked the government to help Glasgow which was at that time in great financial difficulties, the prime minister refused any assistance because Glasgow was a speculative place.³

The third initiative, led by Sir John Sinclair, a talented Scotsman,⁴ made its appearance in 1793 as a scheme for setting up "a major chartered bank based upon Glasgow",⁵ to be 'the Royal Bank of Glasgow'. According to the prospectus, 'the Royal Bank of Glasgow' was to have a subscribed capital of £0.3m with limited liability. The project was welcomed in Glasgow, 175 subscribers signed and the public banks also seemed to accept this newly projected bank in the Scottish banking family. At this very moment, the war crisis arose and engulfed the only scheme for establishing a public bank based upon Glasgow.

1. S.G. Checkland, 1975, p.125.

2. Ibid., pp.124-134.

3. Anon., 1966, 'Glasgow Financial Scene', T.B.R., pp.37, 42-3.

4. "of Ulbster, statesman, agriculturalist, philanthropist and prolific writer", (J. Irving, 1880, p.476) and the compiler of the first "Statistical Account of Scotland" (1791). See also R. Mitchison, 1962.

5. S.G. Checkland, 1975, p.168.

The collapse of the tobacco trade, of the Ayr Bank and of the abortive scheme of a Glasgow public bank left a great gap in the growing economy in the West which the small scale Glasgow banks were unable to fill. This was filled by the Edinburgh banks. The Royal Bank took the opportunity to expand its business, especially in Glasgow. Indeed, the deposits of its Glasgow agent more than doubled between 1794 and 1807 and the advances on discounts increased from £400,000 to £636,000 in the same period. The proportion of discounts by the Royal Bank agent exceeded 40% of the total discounts in Glasgow.¹ The growth of the Royal Bank business encouraged the British Linen Co. and the Bank of Scotland, which opened their Glasgow agencies by 1797 and 1802 respectively. Glasgow business was obviously profitable, and was able to be conducted best by large scale joint-stock banking, such as that of the public banks.

Profitable banking business in Glasgow inevitably attracted the attention of entrepreneurs, perhaps ironically, from another town. The partners of the Dundee New Bank (provincial bank), who were encouraged by their successful reconstruction of the Dundee Commercial Bank (provincial bank, est. 1792) in 1802, invaded Glasgow and created the Glasgow Bank (provincial bank) in 1809. The Glasgow Bank showed aggressiveness and successfully established itself in Glasgow. It is noticeable that, though the Glasgow Bank was a creation of Dundee entrepreneurs, and small compared to the Edinburgh banks, a Glasgow man, James Dennistoun of Golfhill, Glasgow, "perhaps the most prominent citizen of Glasgow in the first quarter of the nineteenth century,"² took office as managing director. The success of the Glasgow Bank under the management of a notable Glasgow merchant, though small scale with fourteen partners and £0.1m paid-up capital, showed what could be done in Glasgow.

The success of the relatively small scale Glasgow Bank, naturally, did little to change the Glasgow scene which was increasingly dominated by the Edinburgh banks. In 1809, there were

1. S.G. Checkland, 1975, tables 5 and 6.

2. R.S. Rait, 1930, p.204.

twenty banking offices in Glasgow as table Intro. 3 sets out.
During the twenty years up to 1829, the economy in the West was

Table Intro. 3

Banking Offices in Glasgow, 1809 and 1829

	<u>1809</u>	<u>1829</u>
Glasgow	1. Ship Bank ¹	1. Ship Bank ¹
based.	2. Thistle Bank ¹	2. Thistle Bank ¹
	3. Glasgow Bank ¹	3. Glasgow Bank ¹
	4. Watson & Co. ²	4. Watson & Co. ²
Edinburgh	5. Bank of Scotland	5. Bank of Scotland
based.	6. Royal Bank	6. Royal Bank
	7. British Linen	7. British Linen
		8. Commercial Bank ³
Provincials	8. Hunters & Co.(Ayr)	9. Greenock Bkg Co.
	9. Greenock Bkg Co.	10. Paisley Bkg Co.
	10. Paisley Bkg Co.	11. Paisley Union Bank
	11. Paisley Union Bank	12. Renfrewshire Bkg Co.
	12. Renfrewshire Bkg Co.	13. Leith Bkg Co.
	(Greenock)	
	13. Kilmarnock Bkg Co.	
	14. Stirling Bkg Co.	
	15. Dundee New Bank	
	16. Falkirk Bkg Co.	
	17. Falkirk Union Bank	
	18. Fife Bkg Co.(Cupar)	
	19. Leith Bkg Co.	
	20. Perth Bkg Co.	

Sources: C.W. Boase, 1867, p.262.

J.K. M'Dowall, 1899, pp.66-69.

S.G. Checkland, 1975, tables 3 and 9.

1. Provincial Bank
2. Private Bank
3. Joint-stock Bank

making great progress but the number of banking offices became reduced to thirteen. The reduction of banking offices in Glasgow, the centre of the rising industrial West, suggests that banking business was increasingly conducted by large scale joint-stock banks, that is, the Edinburgh banks, and also that the capability of the provincial banks, including those Glasgow-based, was completely overtaken by the growth of the economy.

2

THE UNION BANK OF SCOTLAND

By 1830, Glasgow and the West of Scotland were entering upon a period of great expansion and prosperity. Despite the fluctuations of the trade cycle, the general picture was of successful achievement. In 1829, in Glasgow, as already mentioned, there were thirteen bank offices, two thirds of which were those of banks based on other towns. Above all, the Edinburgh banks were the most powerful. It was therefore perhaps inevitable that Glasgow merchants, proud of their energy and initiative, should attempt to inaugurate a new era of Glasgow-based joint-stock banking. Indeed, during the 1830's, Glasgow men founded four important banks, that is, the Glasgow Union Banking Company in 1830, the Western Bank of Scotland in 1832, the Clydesdale Bank in 1838 and the City of Glasgow Bank in 1839.

This thesis is an attempt to examine the history of the Glasgow Union Banking Company, later the Union Bank of Scotland, the first founded by Glasgow initiative, which led other Glasgow banks during the crucial years of Glasgow challenge by the third quarter of the nineteenth century. After 1885, following the spectacular collapse of the Western Bank of Scotland in 1857 and the City of Glasgow Bank in 1878, and despite the continuance of the Union Bank of Scotland and the Clydesdale Bank, the Edinburgh

banks and the men who controlled them knew they had nothing to fear from any further Glasgow banking challenge. The influential period in the history of the Union Bank of Scotland was, thus, from 1830 to 1885, though it remained in existence until 1955 when it was taken over by the Bank of Scotland. This thesis considers the rise of the Union Bank of Scotland and its subsequent stagnation. The years after 1885 are of less consequence.

Scottish banking in 1830 was operated by four very different institutions - the public bank, the private bank, the provincial banking company and the joint-stock bank, the product of the nineteenth century. At the end of our period, i.e., 1885, the number of the components was reduced to two - the public bank and the joint-stock bank. By this time, the categorical difference between the two became insignificant, and only regional pattern was noticeable. Five Edinburgh-based and two Glasgow-based banks were the nationwide and three North-based were the local. Between banking based on Edinburgh and Glasgow, the former boosted its supremacy over the latter. Fifty-five years from 1830 brought drama to the Scottish banking history.

This was well exemplified by the history of the Union Bank of Scotland. Indeed, during the period of 1830/1885, the Union Bank of Scotland exhibited very strongly different types of performance. From these, seven themes emerge. These are the rise and fall of the Glasgow challenge to the Edinburgh banks, the amalgamation movement of which the Union Bank was a "classic example,"¹ the competitiveness of the Union Bank compared with the other Scottish banks, the remarkable change in the assets management, the relationship of the Bank with particular industries, the substantial money flow inside the Bank's own structure, and the conditioning character of the general manager who headed the Union Bank for thirty-three years. These themes have not been deliberately discussed. Though R.S.Rait's book on the Union Bank of Scotland between 1830 and 1930 remains a useful official history of the Bank, it scarcely enters into these topics. They are essential components of banking history, and it is hoped that the study of them in terms of a single bank will carry connotations for the system as a whole.

1. R.H. Campbell, 1965, p.148.

Before beginning our examination in detail, a definition of "joint-stock bank" must be re-affirmed. 'Joint-stock' is a very ambiguous concept, because any concern composed of more than a single proprietor is 'joint-stock'. Even 'joint-stock of a large number of shareholders' might be an insufficient basis, because a legal limitation of 'six partners', stipulated in the Act of 1708 regarding England and Wales, did not apply to Scotland; as a result, some of the Scottish provincial banking companies had dozens of partners.¹ A possible and safer definition of joint-stock bank on the Scottish context, into which category the Union Bank of Scotland falls, is, therefore, that the joint-stock bank, as it emerged in Scotland during the first half of the nineteenth century, was in all terms of amount of capital and number of shareholders and branches larger by an order of magnitude than the provincial banking company. It aimed at national coverage, and was able to respond to the growing economy, ranking in scales with the public banks. The difference between the joint-stock bank, both chartered and unchartered, and the public bank was simply that the former was not by the early 1880's based on the principle of limited liability.

1. C.W. Munn, 1981, table 49.

CHAPTER 1FORMATIVE YEARS, 1830 - 1844

The Union Bank of Scotland, which was the first joint-stock bank in Glasgow as well as in the industrial West of Scotland, made remarkable progress in the first fourteen years, and this was primarily due to successful amalgamations between 1836 and 1844. The successful business of the Union Bank of Scotland initiated the Glasgow challenge to the Edinburgh banks and pioneered the age of amalgamation, which occurred some thirty years earlier than in English banking.

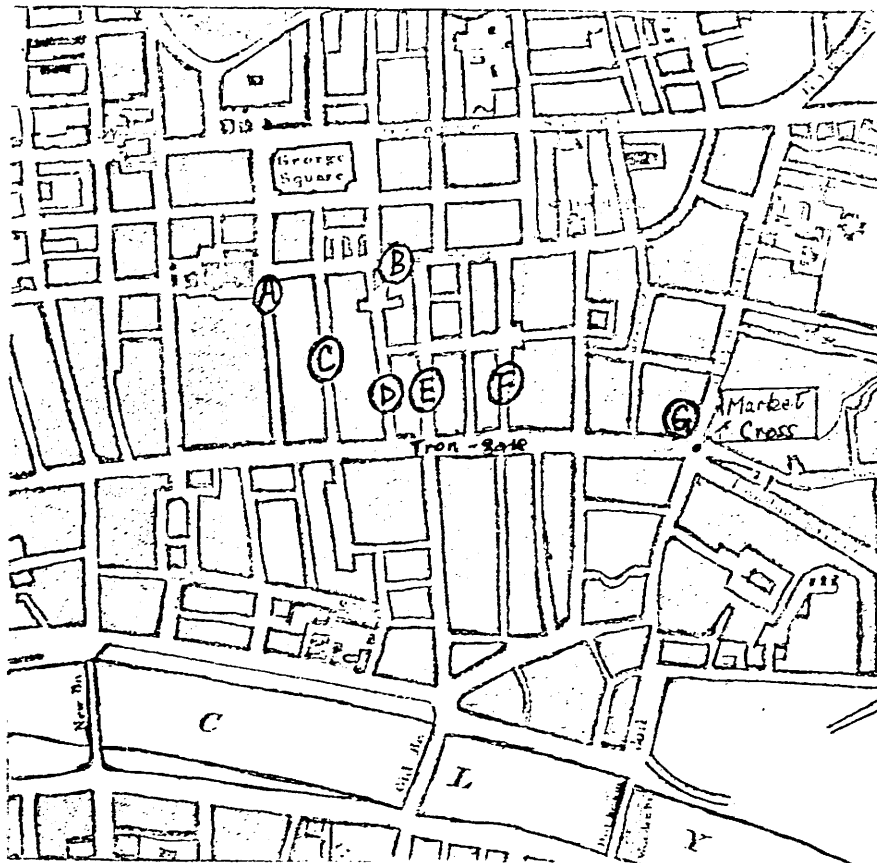
1

THE ESTABLISHMENT OF THE GLASGOW UNION BANKING COMPANY, 1830¹

1. The Birth of the First Joint-Stock Bank in Glasgow.

In the autumn of 1829, Robert Stewart (wine and spirit merchant & Old Post Office Court, Glasgow) proposed the idea of "setting on foot a local public bank in Glasgow"² to Roderick Mackenzie (W.S., Edinburgh) and William Mitchell (teller of the Commercial Bank of Scotland). Ironically, one of the original promoters was an Edinburgh lawyer. Stewart made two points. In the first place, he insisted that the further deterioration of the City of Glasgow, especially around the Market Cross and the Exchange, could be prevented by the establishment of "a bank on popular principles."³ His opinion must have been shared by many Glasgow businessmen. Indeed, from the summer to the autumn of 1829 when the Royal Bank was deserting the old city centre, one of the promoters, who afterwards joined Stewart, was repeatedly petitioning the City authority to take some steps "with a view to the maintenance of the property of the centre district of the city"⁴ and no bank office was situated there as Map 1.1 shows.

1. The title of the Bank will be termed Union Bank, even in discussion of the period before 1844, when the Bank actually changed its title to this.
2. U.B.M., 15/1/1830.
3. Ibid., 15/1/1830.
4. R.Renwick, 1916, vol. XI, p.326.

Map 1.1Bank Offices in Glasgow, 1830

- | | | |
|---------------------|---------------------|---------------------|
| A. Queen Street | 6. British Linen | E. Glassford Street |
| 1. Royal Bank | 7. Renfrewshire | 12. Ship Bank |
| 2. Greenock Bkg Co. | Bkg Co. | F. Brunswick Street |
| B. Ingram Street | D. Virginia Street | 13. Leith Bank |
| 3. Glasgow Bank | 8. Commercial Bank | G. Market Cross |
| 4. Paisley Union | 9. Thistle Bank | 14. Union Bank |
| Bank | 10. Watson & Co. | |
| C. Miller Street | 11. Paisley Bkg Co. | |
| 5. Bank of Scotland | | |

Sources: Post Office Glasgow Directory, 1830/31.

J.K. M'Dowall, 1899, pp.66-7.

R. Renwick, 1916, vol. XI, appendix.

In the second place, it was believed that a joint-stock bank based in Glasgow was "very much wanted upon a general view of the state of other banks in Glasgow"¹ and should be successful as well as profitable. Stewart, MacKenzie and Mitchell soon consulted businessmen in Glasgow and some other principal towns in the West, Central and East, and formed an interim committee, which was composed of thirty persons and appointed Mitchell and MacKenzie as interim manager and secretary respectively. A prospectus of the first Glasgow joint-stock bank, termed "Glasgow Union Banking Company", appeared in newspapers in December 1829.²

Nine resolutions were attached to the prospectus. According to the first resolution, the capital stock was to be £2m which was divided into 8,000 shares of £250 each, and the partners were "to be allowed to operate upon their shares to the extent of one half of their advanced stock upon the principle of a cash credit account."³ The subscription of Bank stock started immediately under the supervision of Stewart and the interim secretary. In two weeks, 3,350 shares were subscribed and a meeting of the interim committee was called in the middle of January 1830.

The meeting of 15 January carried the motion made by Stewart that 1,000 shares should be made available for eligible persons in Edinburgh. This was a wise decision because a new joint-stock bank based in Glasgow might have been unsuccessful without firm support in Edinburgh which was the financial centre of Scotland. The committee released MacKenzie from his duty of interim secretary and he thereafter devoted himself to promoting the establishment in Edinburgh. In addition, the committee set up a sub-committee including Stewart and Robert MacHaffie for the purpose of drawing up a report made before a future general meeting, and for a plan with regard to the design of notes and other indispensable matters. Upon closing discussions, the meeting gave special thanks to Robert Stewart for "his invaluable and indefatigable exertions."⁴

1. U.B.M., 15/1/1830

2. G.H., 28/12/1829.

3. Appendix 1.

4. U.B.M., 15/1/1830.

By 21 January, 4,221 shares were subscribed, including those allotted to Edinburgh, and, as a result, the committee declared in terms of the sixth resolution of the prospectus that the Glasgow Union Banking Co. was constituted.¹ Although the necessary number of shares was subscribed, applications were still pouring into the office of interim secretary, which had been opened by David Wilkie (W.S., Glasgow). The interim committee was delighted by the response and began to discriminate between useful applicants, who would give good business and deposits, and others. A new sub-committee was appointed to sort out desirable shareholders. In the meantime, MacKenzie, who had finished his task in Edinburgh, was preparing a draft of the contract of co-partnery and the first general meeting of shareholders was planned for 2 February.

Thus far there were no problems. As early as 20 January, R. MacHaffie raised "some very important matters"² to the interim committee, which delayed consideration of them on account of the absence of Stewart. The matters were related to the mode of election of the directorate and the authority of the chairman and deputy chairman. According to the draft of the contract, "neither the chairman, deputy chairman, nor extraordinary directors, shall be members of the committee of management, or ordinary direction."³ Nevertheless, it was fully expected by R. MacHaffie and his party that the two senior persons of their group, that is, David MacHaffie and Joseph Bain, would be elected to the offices of chairman and deputy chairman. The result of the ballot came out as they expected.

No compromise was reached between the group led by MacHaffie and that led by Stewart and John Leadbetter (jute merchant and manufacturer, Glasgow). The general meeting was postponed for a fortnight. Meanwhile, the conflict between the parties was leaked by the Glasgow Chronicle. These disagreements might have had political undertones. Certainly the party led by MacHaffie included James Lumsden, a well-known supporter of the Liberals, and one of the

1. U.B.M., 21/1/1830.

2. Ibid., 20/1/1830.

3. Appendix, II.

leaders of the other party, Leadbetter, was a Conservative.¹ Too much should not be made of the political interpretation, for Robert Dalglish, the Lord Provost and a Liberal, who was a partner of Dalglish, Falconer & Co. (calico printers, near the Market Cross, Glasgow) and was "far from being a reformer,"² later became a shareholder.

Eventually, the MacHaffies and their party dropped out at the general meeting of 16 February, which had been earlier postponed, when the first ten directors including Stewart and Leadbetter were elected and the contract underwent only slight amendment. The number of the dissentients finally amounted to 46 and the withdrawal of their 416 shares was effected later in June 1830. From the dissentients, there emerged at least two joint-stock banks in Glasgow. The one was the Clydesdale Bank which was promoted by Lumsden in 1838. The other was the Glasgow Joint Stock Bank, set up in 1843, one of the creators of which was R. MacHaffie. It could be argued that the struggle in the course of the birth of the first joint-stock bank was one of the important elements in the formation of Glasgow joint-stock banking.

The Union Bank started with 407 shareholders who attended, or sent letters of attorney to, the first general meeting held on 2 February 1830. The regional and occupational distributions of the shareholders are set out in tables 1.1 and 1.2 respectively. Table 1.1 shows that the Union Bank depended overwhelmingly upon the wealth of Glasgow and the West of Scotland. No English capital was involved. It should also be noted that there was a substantial proportion of Edinburgh shareholders. Table 1.2 tells us only less than half of the occupations of shareholders. However, it might not be unreasonable to say that the Union Bank was based primarily on wholesale and retail trade. Consequently, the first Glasgow joint-stock bank was created from the wealth of the Glasgow merchants whose initiative pioneered a new age of Scottish banking.

1. Anon., 1886, *One Hundred Glasgow Men*, p.175.

2. Ibid., p.97. See also J.S. Jeans, 1872, pp.36-7, 41.

Anon., 1896, *Old Glasgow*, p.147.

Table 1.1Regional Distribution of Shareholders, 1830

Glasgow	267	66%
Rest of West	66	16
Edinburgh	55	14
Rest of East	4	-
Central	4	-
North	1	-
Western Isles	3	-
Unknown	7	-
	<hr/> 407	

Source: Appendix IV.A.

Table 1.2Occupational Distribution of Shareholders, 1830

Merchant	71	38%
Manufacturer	24	13
Retailer	48	25
Professions	35	19
Farmer	4	2
Builder	3	1
Service	4	2
	<hr/> 189	<hr/> 100%

Source: as table 1.1.

2. The Opening of Business

At the first board of directors held on 17 February 1830, the directors divided themselves into four sub-committees; on bank notes, establishment, premises and London correspondents. Some preparations for opening business had already made progress before the election of directors. Designs of bank notes were produced by W.H. Lizars (an Edinburgh shareholder), which were formally adopted on 19 February. Plans with regard to book-keeping and regulations for agencies were prepared by Mitchell, interim manager, probably on the model of the Commercial Bank of Scotland, in which he once served.

One of the most important tasks was recruitment of Bank staff. Although the interim manager, Mitchell, was considered competent for the pre-opening preparations, he had never been promised the post of manager and seems to have been regarded as inadequate for conducting the whole business of the Bank. Indeed, as early as under the management of the interim committee, J.A. Anderson (manufacturer and merchant, Brunswick, Glasgow, aet. 45)¹ was nominated as a manager and appointed on 20 February. Objection was raised by two directors who seemed to think that no manager was necessary.² They must have thought that the Union Bank could manage to conduct its business without a manager. This idea was obviously wrong, and the selection and appointment of Anderson as manager proved to be successful. Anderson was bound to devote his whole time to the business of the Bank, unlike some cashiers and managers of provincial banks,³ at the salary of £700, which was the same as that of the managers of the Commercial Bank and the National Bank and which was to be increased by £100 per year for three successive years. Mitchell was appointed cashier, with which position he was dissatisfied for he afterwards deserted the Bank to be a manager of the Western Bank of Scotland in 1832.⁴

1. Anon., 1886, One Hundred Glasgow Men, p.9.

2. U.B.M., 19/2/1830.

3. C.W. Munn, 1981, p.164.

4. See chapter 1.2(1).

By the end of March, staff recruitment was completed. John Sharpe, from the staff of the Commercial Bank, was appointed principal accountant. The Commercial Bank of Scotland was seemingly a primary source of the Union Bank staff as the cases of Mitchell and Sharpe exemplified. The accountant's department employed five clerks at salaries from £50 to £130. A teller and two apprentices were also employed at salaries of £180 and £10 respectively. The staff of eleven was twice as much as that of the average provincial bank.¹ In the meantime, the Bank office was settled on the first and second floors of the building situated at Old Post Office Court, Trongate, near the old city centre, and its rental was £250 for the first year. The total amount of salaries and rental was at least £2,000 which must have been the minimum expense for setting up a joint-stock bank in the early 1830's.

The next important step for opening the Bank was the establishment of agencies in London and Edinburgh. As early as in January, Barclay, Tritton, Bevan & Co. (London) offered their services, but the interim committee did not feel the need for a London agent. By the end of March, the sub-committee on agencies recommended Jones, Loyd & Co. as London correspondents, and this was agreed to by the directors.² Robert Allan & Son had agreed to act as Edinburgh correspondents at the charge of 1%. The Edinburgh shareholders objected to this decision and insisted that an Edinburgh agency should be opened, as the contract stipulated, arguing that this could be successfully supported by them. The director countered by stating that,

"the matter must rest on the ground of expediency and advantage to the Bank, on which subject their views were considerably changed from finding that Edinburgh business could be conducted on much lower terms than was formerly anticipated."³

1. C.W. Munn, 1981, p.164.
2. U.B.M., 23/3/1830.
3. Ibid.

The directors held to this opinion and, as a result, the subject of opening an Edinburgh branch was re-considered in the autumn of 1830.

Otherwise, all preparations were completed by the beginning of April when a circular was issued encouraging the shareholders that,

"each individual in his own sphere, will use every exertion to promote and advance the general interests, and I would suggest that this may be done by opening cash, current and deposit accounts, negotiation of bills and by the circulation of the notes of the Bank."¹

The directors organised a daily committee, which was to sit in the Bank and to superintend the general business.² At 10 a.m. on 13 May 1830 the first Glasgow joint-stock Bank opened its doors. The first three applicants for credits were John Miller, director (for £900), J. Leadbetter, director (for £375) and J.A. Anderson, manager (for £700).

3. The First Business Year of the Bank, May 1830 - May 1831

The directors of the first Glasgow joint-stock Bank were very conscious that,

"It must be obvious that a newly established bank is peculiarly liable to loss as well as from inexperience, and natural over anxiety to extend the business and employ the capital as from the attempts that never fail to be made upon it by persons of unworthy credit."³

The policy of carefulness and shrewdness, i.e., 'canniness', was followed in all their business.

The directors used a seven-points scale for investigating their customers' creditworthiness; very bad (symbolised as 16),

1. U.B., Manager's Circular, 10/4/1830.
2. U.B.M., 6/5/1830.
3. U.B., Annual Report, 12/5/1831.

bad (16cl7), fair (17), very fair (17cl8), good (18), very good (18cl9), and undoubted (19).¹ According to this scale, the directors considered carefully and granted credits. They generally rejected applications for credits of more than £1,000 but were very keen to distribute advances of less than £1,000 among their customers.²

The fifth clause of the contract of the Union Bank allowed the directors to invest surplus funds in British government securities and in the stock of chartered companies and that of the Union Bank. It took more than three months for the directors to make up their minds to commence the business of investments. At the end of August 1830, the Union Bank for the first time resolved to invest in British government securities to the extent of £25,000 through Loyd & Co. and Sanderson, Sandeman & Co., though this decision was not made unanimously. This sum was not increased during the first business year which was not unreasonable. The first unhappy experience of the directors had been, when the Bank suffered a loss of £2,500 by the depreciation of the market value of funds.

During the first business year, the directors considered the establishment of ten branches, among which only three were created at Greenock, Bathgate and Port Glasgow by the end of August 1830. Greenock was in the forefront of the foreign trade of the West of Scotland,³ and the directors naturally gave priority to the establishment of a Greenock branch over others, which, fortunately, proved to be very successful at the end of the first business year.⁴ An Edinburgh branch, which had been a serious topic of discussion inside the boardroom, was eventually instituted in September 1830, and this took the place of the service of Allan & Son. None the less, the directors were very careful in commencing business there. It took more than three months for the Edinburgh office to open its doors. Firstly, a managership was instituted and Robert Burns was appointed in October. Detailed instructions were drawn up and sent to the manager, tellers and accountants at the Edinburgh Office in December.

1. U.B.M., 30/12/1830.

2. Ibid., passim.

3. A. Slaven, 1975, pp.26-7.

4. U.B. Annual Report, 12/5/1831.

Furthermore, a local committee, composed of seven Edinburgh shareholders, was set up and strictly instructed by the directors to superintend closely the daily business of the branch. Finally, the Edinburgh branch opened at the end of December 1830.¹ The behaviour of the directors exhibits their carefulness, but even this policy was enterprising compared to that of the English counterparts some of whom regarded it as foolhardy to erect a branch more than around twenty five miles away from its head office.² Edinburgh was forty-five miles' distance from Glasgow. This difference between two styles of banking was obviously due to the development of branch banking in which Scottish banking had considerable superiority over the English.

Plans for other branches were either delayed or abandoned. Branches at Stirling, Alloa and Kincardine were postponed because the National Bank of Scotland was offering its stock below the market price of shares and enthusiastically establishing branches in these places.³ An Ayr branch, which had been resolved to be set up, was also delayed, probably because the Ayrshire Banking Co. (joint-stock) came into being immediately after the opening of the Union Bank. Plans for branches at Wick and Lochgilphead were abandoned.

Following the policy of canniness, the Bank made sound progress in the first business year. The first inter-bank relationship was formed in March 1830 when the Provincial Bank of Ireland offered to do business in Ireland on behalf of the Union Bank. This relationship probably resulted from the Irish connection of John Leadbetter, director, who was engaged in the linen trade. The note exchange at Glasgow was also arranged with the Royal Bank of Scotland in January 1831. The notes of the Union Bank began to cross the border, making their appearance in Carlisle in June 1830,⁴ in common with the issues of several other Scottish banks.

1. U.B.M., 18/10/1830, 13/12/1830, 30/12/1830.
2. S.E. Thomas, 1934, p.257.
3. U.B.M., 28/2/1831, 13/3/1831.
4. Ibid., 4/3/1830, 27/5/1830, 18/6/1830, 20/1/1831.

The first balance sheet, issued in May 1831, showed the total liabilities/assets of £748,804.¹ Balance in the profit and loss account amounted to £8,779 from which the directors could have paid up to a 5% dividend if it had not been prohibited from doing so by the contract. The number of shareholders had increased to 608 by May 1831. The emergence and successful inception of the Union Bank must have had not a little effect on the banks already operating in Glasgow. Indeed, the Royal Bank, which had the biggest interest in the Glasgow business, now had a decrease both in deposits and advances.² Consequently, the Union Bank was firmly established in Glasgow and embarked upon the Glasgow challenge to the Edinburgh banks, though it was still fledgling.

2

YEARS OF STEADY GROWTH, 1831 - 1836

1. The Beginnings of Trial

Financing the growing economy, especially speculative in the West of Scotland, the Union Bank, in common with other banks, inevitably began to sustain losses. In the spring of 1832, the Union Bank suffered owing to the failure of a large number of the Glasgow grain merchants and it took two years to make good the losses, but the dividend remained $2\frac{1}{2}\%$ in the three successive years. Again in the summer of 1835, one of the hectic years for the British economy in the 1830's, the Bank sustained losses in common with other banks. However, the directors managed to ride out the minor crisis and raised the 4% dividend in 1835 to 5% in 1836, leaving a surplus of more than £1,000 on their profit and loss account.

More importantly, the Union Bank entered a stage of increasing competition which was accelerated by the opening of the second joint-stock bank in Glasgow, the Western Bank of Scotland in 1832. The directors of the Union Bank, having learned of the preparation for

1. Appendix, III.A.

2. S.G. Checkland, 1975, table 13.

the establishment of the Western Bank, encouraged their shareholders to exert themselves to promote its circulation.¹ It was also revealed that W. Mitchell, cashier of the Union Bank, and a teller had committed themselves to set up the Western Bank, and they were immediately dismissed in the spring of 1832. Against the loss of the staff, the Union Bank took over the Paisley agent of the Western Bank, who, seemingly dissatisfied with the rather foolhardy management of his parent concern, had proceeded to make over his agency together with his associated shareholders of the Western Bank. The Paisley branch, under the charge of the late agent of the Western Bank, was thus created in October 1833. The directors of the Union Bank were very proud of this take-over and declared in their annual report that the establishment of a Paisley branch was the "most important occurrence" of the year. Entering an arena of real trial, the Union Bank grew steadily from 1831 to 1836.

2. The Assets Management of the Bank

During the first business year, the Union Bank allowed customers to borrow almost entirely on cash credits and discounts. It was from the second business year that the directors began to diversify their methods of advances according to the twenty-fifth clause of the contract. In February 1834 the directors gave a credit of £700 on the personal security of five customers.³ Sanctions of credits on heritable securities emerged earlier in December 1831.⁴

However, the most remarkable method of advances was discounting of bills as table 1.3 sets out. Surprisingly, the amount of discounts for the first year was thirteen times larger than advances on cash, or credit, accounts, though the gap between the two was reducing as the business of the Bank progressed as likewise at the Glasgow branch of the Royal Bank of Scotland.⁵ Consequently, one concludes that the

1. U.B., Annual Report, 10/5/1832.
2. Ibid., 8/5/1834.
3. U.B.M., 4/2/1834.
4. Ibid., 20/12/1831.
5. S.G. Checkland, 1975, table 13.

Table 1.3Methods of Advances, 1831 and 1836

	<u>Credit Accounts</u>	<u>Discounts</u>
1831	£27,348 (7%)	£364,316 (93%)
1836	74,984 (16%)	405,828 (84%)

Note 1. date as in April each year.

2. %; proportion between two methods.

Source: U.B.A.A.B.

Glasgow-based Union Bank supplied funds primarily by discounting, as did other Scottish banks, public and provincial.¹ Thus runs contrary to the claim of Professor R. Cameron that,

"Bills of exchange, the staple assets of many contemporary banks in other countries were the least important earning assets of the Scottish banks. - - The largest volume of lending, however, took place by means of loans on cash accounts."²

Remarkable progress was also made in the management of surplus funds which was due to the general situation of the money market as well as the cautious policy of the Bank. The directors made use of two outlets for the surplus funds. Firstly, the Bank gradually increased investments in public funds such as Consols, East India bonds, Bank of England stock and Exchequer bills which were effected mainly through the London correspondents, Loyd & Co. and Sandeman & Co. But, unlike during the first business year, the directors, who had increasing confidence in themselves, did not leave the management of investments totally to the discretion of the correspondents and gave detailed instructions for the first time in September 1831 to them when and how they should purchase and dispose of the public funds.³ The Bank increased investments in government securities particularly in the autumn of 1831 and the summers of 1832 and 1833 when Consols were yielding 3.8%, 3.6% and 3.4%

1. C.W. Munn, 1981, p.120.

2. R. Cameron, 1967, p.75.

3. U.B.M., 27/9/1831.

respectively. When the market prices of securities were supposed to have reached their highest points and other profitable outlets such as inter-bank loans were found, the directors did not hesitate to dispose of them.¹

The second outlet was, as already mentioned, inter-bank loans, chiefly to the English banks, which were probably doing business with the customers of the Union Bank. Therefore, the development of inter-bank loans was said to be a result of surplus funds as well as 'follow the customer' policy. The first inter-bank loan in this period was arranged with the National Provincial Bank of England in June 1831 which was followed by the Bank of Manchester, Bank of Liverpool and Manchester & Liverpool District Bank, the last of which took £20,000.² These loans were made from the excessive balance in the hands of Loyd & Co. and proceeds of the sale of public funds.³ In the course of the development of English inter-bank loans, there occurred the necessity of having correspondents in Cumbria where the Bank notes had earlier appeared. The directors soon arranged with Carrick, Sons & Starbuck (Carlisle) and Atkinson, Craig & Co. (Penrith) who opened circulation accounts for the Union Bank.⁴ Meanwhile, Overend, Gurney & Co. (bill dealers, London) proposed to borrow money.⁵ Consequently, the Union Bank developed its inter-bank relationship along the west coast of the British Isles into industrial Lancashire and London. Beyond the Irish sea, the Provincial Bank of Ireland was operating as a correspondent. This was the basic pattern of the English and Irish inter-bank relationships of the Bank.⁶ Against this, the development of Scottish relationships was only seen in arrangements made with the National Bank of Scotland in 1833, the Central Bank of Scotland (joint-stock, est. 1834) and the Dundee Commercial Bank (provincial, est. 1802 and later in 1838, altered to the joint-stock Eastern Bank

1. U.B.M., 3/12/1833 and passim.
2. Ibid., 18/10/1831.
3. Ibid., 9/7/1833.
4. Ibid., 11/10/1831, 6/12/1831.
5. Ibid., 24/12/1833.
6. See chapter 3.2(3).

of Scotland) in 1834. The English and Irish relationships might have been a first priority for the Union Bank because its surplus funds would be profitably placed and quickly transferred in cities such as London and Liverpool where its customers were trading.

3. The Organisation of the Bank

The election of chairman, deputy chairman and extraordinary directors, which was delayed on account of the conflict at the inception of the Bank, was eventually effected in October 1831. In the course of a steady growth of business, the directors re-organised their sub-committees into four of more permanent character; establishment, accounts, branches and loans & securities. In 1835, another sub-committee on investments was added to their system, which was considered to be essential in conducting their surplus funds in an efficient way.¹ The system of the board was strengthened.

The office of manager became increasingly important, and already in the first business year the manager had been given his own department and a secretary had been appointed. In 1834, the manager was authorised to discount bills on his own responsibility "except in particular cases where his own information is deficient."² When the sub-committee on investments was instituted, the manager was instructed to attend all five sub-committees. J.A. Anderson satisfied the directors who appreciated his management as "the mainspring of the whole."³

Eleven new branches were established between 1831 and 1836; Ayr, Moffat, Strathaven, Alloa and Kincardine in the year of 1831/32, Stranraer and Auchtermuchty in 1832/33, Paisley in 1833/34 and Neilston, Beith and Stewarton in 1835/36. The business at Greenock and Paisley was regarded as most important as well as successful. On the other hand, the directors were not quite satisfied with the management of the Edinburgh branch. In August 1832, the Edinburgh manager was strictly instructed to investigate the business.⁴

1. U.B.M., 13/5/1834, 19/5/1835.

2. U.B., Annual Report, 8/5/1834.

3. U.B.M., 7/10/1830.

4. Ibid., 21/8/1832.

Furthermore, there was a certain misunderstanding between the directors and the Edinburgh manager regarding the branch instructions.¹ This circumstance might be one of the reasons which led the directors to amalgamating with Sir William Forbes & Co.²

In establishing branches, the directors of the Union Bank were careful and not really enterprising, say, compared to the National Bank, which set up thirteen at the outset of the establishment, and the Western Bank, which created forty-nine in eight years. After 1834 when five branches were established, the directors of the Union Bank changed their minds and the two branches established in the year of 1832/33 were only for the purpose of circulating the Bank notes, one of which was soon withdrawn. In the annual report of 1834, the directors stressed that,

"The present excessive extension of banking operations throughout the country will call for increased cautions in the extension of new branches as well as increased vigilance in regard to those already established."³

Also in the annual report of 1835, the same opinion was expressed that,

"the directors are disposed to proceed with extreme caution in regard to any proposal for increasing their number."⁴

This opinion can be construed to be the policy of the Bank, at least, during the 1830's and was sharply contrary to the later expansionist policy of the 1850's.⁵ Consequently, the North and almost the whole of the East were left vacant by the Union Bank, whose business there was, therefore, conducted by three Scottish Banks; the National Bank branch in Aberdeen, the Dundee Commercial Bank and the Central Bank in Perth.

The growing business of the Union Bank, and probably an anticipation of the opening of the Western Bank in the summer of

1. U.B.M., 2/4/1833, 9/4/1833.

2. See chapter 1.3(3).

3. U.B., Annual Report, 8/5/1834.

4. Ibid., 14/5/1835.

5. See chapter 2.3(2).

1832, caused the first removal with regard to the Bank premises as early as in January 1832.¹ It must have been thought that the senior Bank in Glasgow, which occupied the first and second floors of the building in Trongate, should be accommodated in more convenient and comfortable premises and also that the further western part of the city, where all the offices of other banks were situated, would be more suitable for the Bank which would increasingly commit itself to inter-bank connections. The decision on new premises was carried into effect despite the objection of two directors, R. Stewart and J. Drysdale, who held to the idea expressed in the prospectus that,

"The waste of time thus occasioned to Merchants in the Middle and Eastern Districts, by being compelled to proceed to Virginia Street, Queen Street, or the New Exchange, to transact their Bank business, is a very serious evil, and one universally felt."²

The decision against one of the main motives of, and only two years since, its own establishment, suggests that the head or chief offices of the banks tended to be located nearer to each other in the better part of the city for convenience as well as safety. Thus, curiously, at the suggestion of the Bank of Scotland, it was decided that the new premises of the Union Bank were to be in the building at the foot of Virginia Street, formerly occupied by J. & R. Watson & Co., the oldest private bankers, who were sequestrated in 1832. The Union Bank moved into these new premises in the summer of 1833.³

First of all, in May 1834, the Union Bank considered an application for a charter. The directors were probably wishing to raise the prestige of the Bank in competition with the aggressive Western Bank and, thus, specially emphasised that the Union Bank was "the first Bank established in the West of Scotland on the joint-stock principles,"⁴ in the petition of a charter made in December 1835

1. U.B.M., 31/1/1832.
2. Appendix I, see also U.B.M., 8/1/1833.
3. U.B., Annual Report, 9/5/1833, See also Map 1.2.
4. U.B., Petition for a charter, -/12/1835. For the purpose of obtaining a charter, see chapter 2.1.

on the model of that of the National Bank, which obtained it in 1831 along with the Commercial Bank. The petition was unsuccessful probably because of objections by the public banks and the government which intended to introduce new legislation to control joint-stock banks, and was not repeated until Sir William Forbes & Co. could join forces in the application.

3

THE AGE OF AMALGAMATION, 1836 - 1844

1. Amalgamation and Competition

The business of the Union Bank grew by leaps and bounds from 1836 to 1844 primarily due to five amalgamations; the Thistle Bank, Sir William Forbes & Co., the Paisley Union Bank, Hunters & Co. and the Glasgow & Ship Bank whose cases will be more detailed later. Five successful amalgamations in seven years could well have been a world record in banking history. The dimension of total liabilities/assets of the Bank increased from £1.2m in 1836 to over £6m in 1844.

As the substantial growth of the Bank implies, the business made good progress without interruption from 1836 to 1841. The directors paid a 6% dividend both in 1837 and 1838 which was raised to 7% in 1839 and 1840, and further to 8% in 1841. When the 7% dividend was reported in 1839, the directors were proud that this was "above the rate generally paid by the Scotch banks."¹ Even the financial difficulties of 1837/38 did not cause any problem with regard to the growth of the Bank and in the period of cheap money from the spring of 1838 to the summer of 1839 when the Bank of England rate stood at 4%, the Union Bank experienced a great increase in transactions in which the total liabilities grew by 25% to over £2m in 1839,² though the difficulties of the Eastern Bank of Scotland (a re-organised version of the Dundee Commercial in 1838) caused a certain anxiety. The profits of the Union Bank amounted to nearly

1. U.B., Annual Report, 9/5/1839.

2. Ibid., 9/5/1839.

£40,000 in 1841, which was the largest sum between 1836 and 1844. The reserve also increased from £20,000 in 1837 to £111,974 in 1841. Meanwhile, the nominal amount of capital stock was raised to £2.5m in 1839 by the creation of 2,000 shares of £250 each. Thus far the Union Bank was tremendously successful in all respects.

In 1842 when a severe financial crisis occurred in Paisley in which at least twenty firms collapsed,¹ the Union Bank encountered real danger for the first time in its history. Three provincial banks failed in the crisis, in two of which the Royal Bank was involved. The losses of the Union Bank amounted to £34,292, nearly half of which was incurred at the Paisley branch. The reserve decreased by 25% to £83,897 in 1842. In 1843, the Paisley branch suffered from losses amounting to £2,900.

Paisley was the centre of the cotton industry which was becoming increasingly equipped with power looms and one of the places where serious competition between the banks was going on. In addition to two provincials, the Paisley Bank (est. 1783) and the Paisley Union Bank (est. 1788), the Commercial Bank first invaded Paisley earlier in 1825. Next in 1833, the Western Bank established a branch which was soon taken over by the Union Bank. The Bank of Scotland and the Royal Bank created branches in 1836. The British Linen Co. took over the Paisley Bank in 1837 establishing itself there. When the Union Bank took over the Paisley Union Bank in 1838, another joint-stock Paisley Commercial Bank was about to open. Consequently, in the late 1830's, seven joint-stock banks were operating in Paisley, which was absolutely overbanked. Under the circumstances, the directors of the Union Bank were very anxious to avoid bad debts, particularly from the beginning of 1840, and frequently dispatched an accountant of the head office to investigate the Paisley business. In spite of this precaution, the Paisley branch was very vulnerable to bad debts.² The result was losses in 1842 and 1843. The over-banked situation resulted in the expenses of the branch management exceeding its revenues.

1. R.B.S. Minute of the Board of Directors, 28/7/1841.

2. U.B.M., 21/1/1840.

Severe competition was felt by the Union Bank not only in Paisley but also elsewhere, especially in Glasgow. Prior to 1836, there were three joint-stock banks, including the Union Bank, in the West, where another eight joint-stock banks were added between 1836 and 1844. Six of these newly established banks were based in Glasgow as table 1.4 sets out.¹ Glasgow was the most vigorous arena of joint-stock banking. In 1838 when the Clydesdale Bank opened

Table 1.4

Establishment of Joint-Stock Banks, 1830-1844¹

	<u>Glasgow</u>		<u>Edinburgh</u>		<u>West</u>		<u>North & East</u>		<u>South</u>		<u>Total</u>
	a	b	a	b	a	b	a	b	a	b	
1830	1	1	0	2	1	1	0	1	0	0	5
31	0	1	0	2	0	1	0	1	0	0	5
32	1	2	0	2	0	1	0	1	0	0	6
33	0	2	0	2	0	1	0	1	0	0	6
34	0	2	0	2	0	1	1	2	0	0	7
35	0	2	0	2	0	1	0	2	0	0	7
36	0	2	0	2	0	1	1	3	0	0	8
37	0	2	0	2	0	1	0	3	0	0	8
38	1	3	1	3	1	2	2	5	1	1	14
39	1	4	0	3	0	2	0	5	0	1	15
40	0	4	0	3	1	3	0	5	0	1	16
41	0	4	0	3	0	3	0	5	0	0	15
42	0	4	0	3	0	3	0	5	0	0	15
43	3	7	0	3	0	3	0	5	0	0	18
44	1	4	0	3	0	1	0	5	0	0	13

Note 1. Excluding the public banks.

2. a: established.

3. b: existing.

Source: S.G. Checkland, 1975, tables 9 and 11.

C.W. Munn, 1981 (b).

1. See also table 1.7.

its doors soon establishing a branch in the eastern part of Glasgow, the Union Bank called a special meeting of the board which resolved to erect a more suitable head office building on the former site of the Thistle Bank, already absorbed by the Union Bank, and at the same time decided to open a branch at the old market cross in order to rival the business of the Clydesdale Bank.¹ The competition between the two culminated in a proposal (made by the Union Bank) to withdraw one of the branches, which the Clydesdale Bank rejected. An accountant at the Ayr branch of the Union Bank was also re-employed by the Clydesdale Bank.²

Scottish banking, thus, entered the age of amalgamation and competition, under the Glasgow challenge, in which the traditional Edinburgh-Glasgow rivalry disappeared at least in Glasgow in the years of 1840/41 when the Royal Bank resisted the Bank of Scotland's attempt to lower the deposits rate.³ The Royal Bank, which was doing a larger business in Glasgow than any other Edinburgh bank, had to accept a lower margin. These circumstances meant that the Union Bank entered years of severe trial which, however, it managed to weather successfully.

2. The Rapid Growth of Advances and the Emergence of Overdrafts

The deposits of the Union Bank stood at £639,400 in 1837 including the sum transferred from the absorbed Thistle Bank. The amalgamations with Sir William Forbes & Co. and the Paisley Union Bank further increased the deposits to £861,637 in 1838. Thereafter, the deposits decreased for three successive years to £666,832 in 1842. The reduction was almost certainly due to serious competition begun from the late 1830's especially in Glasgow and the West.

The deposits resumed their upward trend in 1843 to £795,099 and jumped remarkably up to £4,427,780 in 1844 as a result of the amalgamations with Hunters & Co. and the Glasgow & Ship Bank in 1843. One result of the increasing amount of deposits was the commencement of a full range of advances.

1. U.B.M., 14, 23/8/1838, 5/2/1839.

2. Ibid., 18/1/1842.

3. T.R. Gourvish, 1969, p.294.

The amount of each advance greatly increased. Prior to 1836, the directors only rarely sanctioned a credit of more than £1,000. In 1837 the Bank authorised a credit of £20,000 jointly to W. & R. Orr, J. & J. Orr & Co. and J. Donaldson & Co. (merchants). In 1838 a credit of £28,000 was allowed to a railway company. From 1840 to 1842, the Bank gave each year an advance of £50,000 to the same railway company. The directors, though increasing the amount of single advances did not forget to hold to the principle of self-liquidating lending. When a large railway company applied for a credit of £100,000 for five years at $3\frac{1}{2}\%$ interest, the Bank declined the proposal on the ground that "such a length of time at so low a rate"¹ would be dangerous. The Bank of England rate stood at 5% at that time.

As before 1836, advances on discount remained the primary method though the gap between the two became greatly reduced, as table 1.5 sets out. Increase in advances on credit accounts was probably due to the emergence of a new method of advance, that is, overdrawing credit account or overdraft.

Table 1.5

Methods of Advances, 1837 and 1844

	<u>Credit Accounts/Overdrafts</u>		<u>Discounts</u>	
1837	£121,884	(12%)	£924,203	(88%)
1844	1,939,490	(43%)	2,577,461	(57%)

Note 1: Date as in April each year

2: %; proportion between the two.

Source: U.B.A.A.B.

Overdrafts made their first appearance in provincial banking. In 1829, the Perth Bank allowed a customer to 'overdraw' his account as a temporary advance.² Among the Edinburgh banks, the Royal Bank was the first to adopt this method when the directors found by

1. U.B.M., 17/10/1838, passim.

2. C.W. Munn, 1981, p.127.

accident in 1832 that several accounts of their customers had been overdrawn without their knowledge.¹ 'overdrawing or overdraft', thus, became a banking terminology, and, following these examples, the Union Bank allowed its first overdrafts to John Leadbetter, an influential director, in 1841.² Overdrafts must have attracted the customers' attention and soon increased because the Union Bank amended its contract in 1843 to the effect that,

"The said Directors are hereby authorized to give credit, on cash accounts, to the Partners of the Company, to the extent, or amount, of one-half of their advanced stock, and to such farther extent as the circumstances of the Company, and the value of the stock may seem to warrant, without any farther or collateral security but that arising from the right of retention competent to the Company, and assignation in security hereinafter contained; but to no other persons, or persons, unless with security, real or personal, to their satisfaction, except for temporary overdrafts sanctioned by a Committee of Direction."³ (the underlined is the amendment).

Even under the original clause, the directors could extend the amount of credit beyond the value of one half of the customer's paid up stock, but this extension of advance was, of course, enjoyed only by the shareholders and also secured by the other half of the paid up stock. In this way, advances on cash credit had two limitations which were lifted by overdrafts. Overdrafts, though they were to be allowed temporarily, were not guaranteed by security at all and could be awarded to parties other than the shareholders, although the Union Bank from time to time proposed to take securities. Indeed, advances on overdraft gave flexibility to short term lending thus responding to the growing and fluctuating demands for credit.⁴ It was, thus, very important for the customer

1. S.G. Checkland, 1975, p.386.

2. U.B.M. Scroll Book, 28/11/1841.

3. Appendix II.

4. C.W. Munn, 1981, p.127.

whether or not he could enjoy the right to overdraw his account. When he could obtain an overdraft from another bank, he might easily change his bank. In fact, the Union Bank proposed to offer the facility to a customer of another bank and he was given a large overdraft limit to the extent of £40,000.¹

Overdrafts, on the other hand, had a risky aspect. As they were unsecured advances, the directors regularly and carefully investigated the list of overdrawn accounts.² In spite of their caution, the amount of overdrafts tended to increase beyond authorised limit without the knowledge of the directors. The account of Lord Belhaven, owner of coal mines, was a troublesome example. In November, 1845, Lord Belhaven overdraw his account at Edinburgh by more than £10,000 without any arrangement and was, thus, instructed to repay a part of the sum or to offer the Bank stock as security. He was suspected of being in financial difficulty. The Bank had to wait nearly one year to secure repayment. Again later in 1847, the debit in his account amounted to £80,200 chiefly due to overdrafts and his business was eventually forced into liquidation.³

None the less, it was obvious that overdrafts gave great flexibility to lending and increased advances on cash account. Along with the emergence of overdrafts, advances on heritable security became usual. The directors also granted a credit even on a life insurance policy.⁴ The Bank also started acceptance business in this period whose progress was, however, primarily seen in the following period.⁵

A feature of the emergence of a fuller range of banking services was the appearance of two noteworthy groups of borrowers, heavy industry and railways. Among the heavy industrialists, Lord Belhaven was the most notable as well as the largest borrower as seen by his operation of overdrafts. From 1841 to 1843, he obtained six credits,

1. U.B.M., 15/4/1845.
2. Ibid., 14/5/1844 passim.
3. Ibid., 8/11/1845 passim.
4. Ibid., 8/2/1842.
5. See chapter 2.2(1).

with one of which he bought Union Bank stock, so strengthening his borrowing power. In 1843, he proposed to borrow £6,000 on the personal security of himself, W.G.A. Cunningham and Lord Ruthven which was authorised and was twice renewed in the same year.¹

Dunlop of Dunlop, MP, who had already introduced Neilson's hot-blast into his Clyde Iron Works and started another Iron Work at Coatbridge, usually borrowed on a rather moderate scale, from £700 to £1,500. When he applied for a large credit of £10,000, the Bank rejected the proposal.² The Bank also supplied funds to the extent of £3,000 to a firm of shipbuilders, J.S. & W. Napier.³ Thus, the Bank, though timidly, started financing the rising heavy industry.

A remarkable performance was seen in railway financing. The Glasgow, Paisley, Kilmarnock & Ayrshire Railway Co. (GPKA) was the most important customer, and in it the Union Bank was represented by three directors, including J. Leadbetter, and so were two other banks; the Glasgow & Ship by A. Fletcher, T. Walrond and J. Campbell and Hunters & Co. by C.D. Gairdner.⁴ GPKA financing commenced in 1838 when the Union Bank sanctioned two large credits of £28,000 and £37,000. GPKA, still under construction, needing a large amount of money, demanded that its shareholders subscribe a call and also proposed that the Union Bank should advance funds to the shareholders on their GPKA stock. The Bank agreed to advance in this way more than £10,000, limiting the direct advance to £20,000 in the autumn of 1839. The restriction of credits aroused a protest from some of the directors of GPKA who even proposed on their board that they should change their main bank. It is quite probable that the Glasgow & Ship, or Hunters & Co., or the British Linen, in whose directorate a relative of Hunters & Co. was represented, were suggested. The information was soon reported by Leadbetter to the Union Bank which immediately took strong action, i.e., making a proposal to withdraw all advances. Eventually, GPKA surrendered to the Union Bank which remained the main bank of the railway company.⁵

1. U.B.M., 27/7/1841, 19/7/1842, 7/3/1843.

2. Ibid., 1/11/1836, 7/9/1837.

3. Ibid., 21/8/1838.

4. Ibid., 26/10/1841.

5. Ibid., 25/6/1839, 2/7/1839, 8/10/1839, 22/10/1839, 12/11/1839.

From the summer of 1840 to the summer of 1842, the Bank authorised advances on cash accounts and overdrafts to the extent of £50,000 to GPKA and also for the first time on debentures. Thereafter, the Bank changed its policy, starting to buy shares in GPKA from October 1842 to August 1843 when the directors further resolved to increase the holding of GPKA stock up to 2,000 shares.¹ The reason for this resolution is not exactly known, but it might not be inappropriate to say that the Bank was increasingly interested in the business of GPKA. Indeed, the result of this resolution was remarkable because, two days after the resolution, Hunters & Co., one of two other banks involved in GPKA, proposed to make over their business to the Union Bank and, two months afterwards, another, the Glasgow & Ship Bank, also joined the Bank. Consequently, the Union Bank won the battle over GPKA finance taking over two provincial banks in the West. GPKA financing was more than an ordinary banking business. It helped the Union Bank to establish itself firmly in the West.²

The financing of the Edinburgh & Glasgow Railway Co. (EG) was also important in another respect. EG, which obtained an act in February 1838 and opened "a new era in the social history of the two cities,"³ made its first appearance as a borrower in September 1838. Leadbetter was a leading spirit in EG taking office as the chairman of the company,⁴ through whom EG proposed that the "Glasgow business of the railway company will as hitherto be given to the Bank."⁵ EG also offered the Edinburgh business to the National Bank. There formed a sort of cartel which the Western Bank tried to enter in October 1841. The Union and National authorising credits for £50,000 and £25,000 respectively, the Western Bank proposed to give an advance of £25,000. EG reported that,

1. U.B.M., 1/8/1843.
2. See chapter 1.3 (4).
3. J. Thomas, 1971, p.113.
4. Anon., 1886, One Hundred Glasgow Men, p.175.
5. U.B.M., 1/5/1840.

"As the Western Bank of Scotland, in offering also to advance the sum of £25,000 annex to their offer certain conditions in regard to the future banking business of the Company to which the board decline according, it be agreed that the Glasgow Union and National Banks be requested to advance the said sum in the proportion of the respective sums above mentioned and in addition thereto."¹

The directors of the Union Bank were satisfied with the proposal and the additional credit proposed was immediately given at the Edinburgh office. EG was also one of the customers who could be allowed overdrafts.²

From the financing of GPKA and EG, we may deduce two conclusions. Firstly, railway business was obviously profitable as well as being a large outlet for the resources of the Scottish banks which were competing very strenuously to obtain business. At the same time, it was also clear that railway financing could be done by the large scale banks, that is, joint-stock. This was the reason why Hunters & Co. and the Glasgow & Ship, both provincials with a small number of partners, gave up their independence, making their business over to the joint-stock Union. This fact also supports the argument that Scottish banking was never reluctant to finance railway companies whose vital needs, especially when they were under construction, were met by Scottish credit.³ Secondly, the Union Bank showed a different attitude towards the banks in the West compared with the Edinburgh banks. Facing the banks in the West, the Union Bank never gave up keen competition. In sharp contrast to this, the Bank showed moderate behaviour towards the Edinburgh banks with which the Union Bank even co-operated. This policy, contrary to that of the Western Bank, was one of the reasons why the Union Bank was more calmly accepted by the Edinburgh banks.

1. U.B.M., 19/10/1841.

2. Ibid., Scroll Book, 10/5/1842.

3. T.B. Gourvish and M.C. Reed, 1971, p.216.

3. Increases in Investments

The problem of the management of surplus funds, which were accumulating as a result of the amalgamations and growth of business, continuously confronted the directors, who required to place their funds not only for the purpose of the reserve but also for profitability. In August 1836, the portfolio of the Union Bank was composed of the Glasgow Gas stock, East India bonds, Bank of England, Bank of Scotland and British Linen stock, the total sum of which stood at £99,100 (7.7% of the total liabilities).¹ Feeling the necessity to diversify the portfolio, the directors considered two unauthorised outlets, investments in the stock of joint-stock companies, not incorporated under a charter or an act of parliament, and foreign securities. As examples of this sort of investment, the directors chose the stock of the Provincial Bank of Ireland and the Bank of Manchester and the bonds of the United States Bank, but the plan was soon abandoned because the advocate in Edinburgh, consulted by the Union Bank, replied that these investments should be strictly refrained from according to the fifth clause of the contract.² Thereafter, the board of directors stayed silent till May 1838 when the purchase of the bonds of the United States Bank was summarily reported by Sir William Forbes & Co. who had just joined the Union Bank.³

There was indeed a certain connection between the management of surplus funds and the absorption of the firm of Sir William Forbes & Co. After the unfavourable reply of the advocate, the sub-committee on investments was repeatedly instructed to "consider of the best employment of the spare funds,"⁴ but they could not give any decisive recommendation to the board. It is probably safe to say that the directors were searching for a legal way of making foreign investments without an amendment of the contract and consequently began to contact the firm of Sir William Forbes & Co. from the autumn of 1837. Sir William Forbes & Co., though they had lost much of their initiative from the late 1820's, were the most senior private bankers doing a kind of merchant banking and they were well

1. U.B.M., 16/8/1836.

2. Appendix, II. U.B.M., 28/6/1836, 1/8/1837, 22/8/1837.

3. Ibid., 29/5/1838.

4. Ibid., 8/8/1837. See also 15/8/1837.

acquainted with foreign investments. From this circumstance, it could be argued that the firm of Sir William Forbes & Co. was kept separate from the absorbing Union Bank in order to effect foreign investments legally, as will be discussed in the following chapter.

The operation of Sir William Forbes & Co. proved to be, to a large extent, instrumental in suggesting profitable outlets to the Glasgow directors. Indeed, following their recommendation, the portfolio of the Bank gradually diversified including the 'illegal' investments in the bonds of the U.S. Bank as well as the legal securities of English railway companies such as the Birmingham, Eastern Counties and Great Western. Later in 1843, the Union Bank added to the portfolio the bonds of the Royal Bank of Australia,¹ which first marked the Australian connection prevalent in Glasgow.²

To its inter-bank network, the Union Bank added a Welsh and two English banks, that is, the Monmouth & Glamorgan, the East of England and the Northumberland & Durham Banks. The notice required to call up inter-bank loans was usually eight to ten days.³

4. The Case Study of Amalgamations

A. The Thistle Bank

The Thistle Bank, which was the third Glasgow bank founded in 1761 and whose notes once enthusiastically invaded the North in the latter half of the eighteenth century,⁴ had by the early 1830's long lost its initiative, and, indeed, the surplus of assets over liabilities was only £3,532 in 1836 when the Thistle Bank indicated it wished to make over its business to the Union Bank.

The directors of the Union Bank quickly responded to the offer, resolving within seven days to take it over. The Union Bank agreed to pay the Thistle Bank the following sums,

1. U.B.M.E., 15/6/1843.
2. D.S. MacMillan, 1967, p.323.
3. U.B.M., 21/6/1836, 7/2/1843, 28/3/1843.
4. R.S. Rait, 1930, p.128.

"Sum stipulated	£5,000
Salaries	900
Loss of interest on price of house, expenses of transferring securities and other charges	600
	<u>£6,500"</u> ¹

In addition, the Union Bank promised to take the old notes of the Thistle Bank for £862 which brought the total expenses to £7,362. Despite these expenses, the advantages of the take-over were estimated as that,

"Deposits £450,000, of which it is supposed $\frac{2}{3}$ rd may be expected to be retained. £300,000 yielding an annual profit of $1\frac{1}{4}\%$, £3,750

Of the notes in circulation there are £4,350 dated prior to 1817 for which £862 only is allowed, but as in the last three years £135 only of these old notes have come in. The amount still to appear will probably not exceed the interest of the £862 received - the profit on this head may at least be taken at, £500

Of the remaining £26,000 dated subsequently to 1816 and taken over at their full amount, it seems not too sanguine to estimate a sum never to appear of, £600

and a profit (at $3\frac{1}{2}\%$) on the circulation of remainder, £500

Without putting down anything for the probability of unclaimed deposits, these items make an aggregate of, £5,350." ²

Based on this calculation, the Union Bank would be able to recover over 80% of the take-over cost in only a year. The anticipated retention of large deposits was also attractive. It was due to this merit that the Union Bank decided to take over "the whole

1. U.B.M., 21/6/1836.
2. Ibid., 21/6/1836.

(business) without exception"¹ of the declining Thistle. The remarkable amalgamation movement of the Union Bank, thus, commenced in the year 1836, a year which also witnessed another amalgamation between the provincials, the Glasgow Bank and the Ship Bank. The year 1836 was effectively the last days of Glasgow provincial banking.

B. Sir William Forbes, James Hunter & Co.

Sir William Forbes, James Hunter & Co., who were formerly the partners of the firm of John Coutts & Co. (est. 1724),² were undoubtedly the oldest and finest private bankers in Scotland. The firm prospered especially under the leadership of Sir William Forbes of Pitsligo (1739-1806), "the beau ideal of the Edinburgh banker."³ He was succeeded in 1806 by his son, Sir William of Edinburgh. His leadership, however, began to witness the decline of private banking and after his death in 1828 the firm lost ground, encountering difficulties in the 1836 crisis during which it experienced a heavy run.⁴ It was probably during this crisis that Sir William Forbes & Co. were attracted by the idea of junction with another bank. This idea found fruition in a merger with the Union Bank whose problem was how to place funds in profitable investments. Negotiations between Sir William Forbes & Co. and the Union Bank, led by J. Leadbetter,⁵ had thus made good progress by the beginning of 1838.

Although it had suffered losses in the 1836 crisis, the firm of Sir William Forbes & Co. could still yield the large profit of £16,000 in 1836, compared to the £16,844 by the Union Bank in the same year. Its liabilities/assets in 1838 amounted to £1,580,000 compared to the £1,711,581 of the Union Bank. Furthermore, the fine firm of Sir William Forbes & Co. was very highly regarded in Scottish banking. Consequently, the Union Bank proposed complex but attractive terms for purchasing the business of the firm of Sir William Forbes & Co., which had only six partners. The directors of the Union Bank resolved that,

1. U.B.M., 21/6/1836.
2. R. Richardson, 1900, p.33.
3. S.G. Checkland, 1975, p.157.
4. C.D. Gairdner, 1902, p.19.
5. R.S. Rait, 1930, p.251.

"By assigning to the partners (of Sir William Forbes & Co.) one thousand shares/but not guaranteed/to yield a dividend of £3,000 per annum, and the balance of the $\frac{2}{3}$ rd of profits in annuities on the basis of four partners of Sir William Forbes & Co. - Sir John Forbes and Sir John Hay receiving no annuities. The annuities of Messrs. G. Forbes, D. Anderson and A. Hay being equal, that of Mr. C. Forbes of lesser amount, which annuities shall be a debit against the Glasgow Union Bank."¹

The value of 1,000 shares was £50,000 because half of the £100 share was to be paid. The sum of annuities was not recorded in the minute book, but, according to R.S. Rait, the amount on aggregate was at least £400 for the four partners. In addition, the Union Bank paid £20,000 for the purchase of the banking premises of Sir William Forbes & Co. who had three branches. The take-over of the firm of Sir William Forbes & Co. involved the Union Bank in expending £70,400 in all for the first year of their junction, which was the largest amalgamation cost of the five as table 1.6 sets out.

In exchange for this large expense, the four partners of Sir William Forbes & Co. were to,

"undertake the personal management in Edinburgh as at present for six years, and during that time they shall have the entire nomination of the clerks and other persons employed under them; and to assist in the Glasgow management for the same period."²

Under this agreement, the firm of Sir William Forbes & Co. was to exist separate from the Union Bank for six years during which the latter could legally make foreign investments through the former. In order to assist the Glasgow directors, Charles Forbes was to reside in Glasgow. The amalgamated firm of Sir William Forbes & Co. was, thus, the direct ancestor of the Edinburgh committee of directors instituted in 1843.

The junction with the firm of Sir William Forbes & Co. not only pioneered profitable outlets for investments and set the

1. U.B.M., 17/4/1838.

2. Ibid., 17/4/1838.

Union Bank on a firmer footing in Edinburgh, but also brought with it other opportunities for amalgamation. Sir William Forbes & Co. were acting as the Edinburgh agents on behalf of at least seven provincial banks.¹ Five of them, that is, the Paisley Union, Hunters & Co., the Glasgow & Ship, the Perth and Aberdeen Banks, afterwards joined the Union Bank. Remarkably, three amalgamations were carried out within the period of the sole management of the Edinburgh business by Sir William Forbes & Co. Although there remains no direct evidence except in the case of Hunters & Co., it might not be unreasonable to suggest that the later amalgamations were pioneered by Sir William Forbes & Co. The annual report of 1838, as if it were foreseeing the bright future of amalgamation, excitedly expressed the view that,

"A junction has been negotiated and concluded, upon terms of mutual advantages, between this company and that of Sir William Forbes, James Hunter & Co., Edinburgh - a firm oldest in point of date, and first in character and connections among the private banking companies in Scotland, with a business about equal to our own, and with gentlemen of perfect honour and distinguished talents in its management."²

Though the junction was exciting for the rising joint-stock Union Bank, it was true that Sir William Forbes & Co. had outlived their usefulness in Scottish banking and that their passing marked the end of the private banks in Scotland.

C. Paisley Union Bank

Established in 1788, the Paisley Union Bank soon opened branches at Glasgow, Beith, Hamilton and Greenock and aggressively invaded the north of England at the end of the 18th century.³ However, in common with other provincial banks, the Paisley Bank stagnated especially from 1820 and was declining in every aspect by the late 1830's, though it could still yield profits of £14,472 in 1836;

1. U.B., Edinburgh, Private Letter Book, 18/9/1839 and passim, R.S. Rait, 1930, p.117.
2. U.B., Annual Report, 10/5/1838.
3. C.F. Freebairn, 1924, p.115, S.G. Checkland, 1975, p.171.

total liabilities fell from £651,395 in 1820 to £447,099 in 1838, capital from £40,489 to £24,000 and note circulation from £107,220 to £87,598.¹ The decline of the Paisley Bank exemplified the fate of provincial banking in the industrial West, where agents of the public and joint-stock banks were established, particularly from the early 1830's, strenuously competing with each other.² The Paisley Bank must have been unable to bear the brunt of this competition and made over their business to the Union Bank in June 1838 just after Sir William Forbes & Co. was amalgamated.

The Union Bank offered two alternative schemes to the partners of the Paisley Bank, either a single payment of £20,000 or annuities for ten years which would come up to £20,000. The latter proposal was preferred by the remaining three partners, each of whom also bought 50 shares of the Union Bank stock at the market price. The banking premises at Paisley and Glasgow were bought up by the Union Bank at the price of £1,600. The total cost of take-over was thus £21,600. The manager and office of the Paisley Union Bank became the agent and branch at Paisley, through which the Union Bank incurred losses in 1842/43 as already mentioned.

D. Hunters & Co.

Hunters & Co. came into being in the autumn of 1773 when the Ayr Bank of Douglas, Heron & Co. was going into liquidation. In contrast to the enterprising and large scale firm of Douglas, Heron & Co., Hunters & Co. started with four partners, one of whom, William Hunter, was the elder brother of James Hunter of the firm of Sir William Forbes & Co. Although their policy was rather conservative as R.S. Rait suggests, Hunters & Co. took over the Kilmarnock Bank (provincial, est. 1802) in 1821 and had seven branches by the early 1840's.³

However, the firm of Hunters & Co. was not an exception among the declining provincial banks which suffered from the wave of joint-stock banking, especially from 1830 when the joint-stock Ayrshire Bank was established under the management of Quintin Kennedy,

1. C.F. Freebairn, 1924, p.117. R.S. Rait, 1930, pp.200-1.

2. See chapter 1.3(1).

3. R.S. Rait, 1930, pp.173-4, 180-1.

who used to be a joint-agent of Hunters & Co. Deposits of Hunters & Co. notably diminished from £668,000 in 1829 to £428,000 in 1833.¹ Also in financing the Ayrshire Railway Co., Hunters & Co. encountered fierce competition from the Union Bank. Furthermore, they witnessed the hardship of the oldest private bankers, Sir William Forbes & Co. in the crisis of 1836/37. In these circumstances, Hunters & Co. felt that their time had passed and they began to search for a large bank which would purchase their business. C.D. Gairdner wrote,

"During the following ten years (since 1821 when he entered Hunters & Co.) Joint-Stock Banks were making rapid strides, and they encroached with some severity on the credit of private Banks. I must say for myself that while seldom enervated by such matters I felt annoyed at times in case some foolish story should cause a run upon us, and when a heavy demand came upon Sir William Forbes & Co., some years after, I felt that we also might be placed at disadvantage and that it was really scarcely fair to partners having large independent estates to expose them to any risk whatever. I believe these views guided the Company generally after Mr. Cowan's death in 1841. I considered that the transfer of our business to another Bank was a mere matter of time. In 1842-43 this subject was often talked of at our private meetings, - After much discussion, it was agreed that one partner should be empowered to exhibit privately to the British Linen Company and to the Union Bank an exact state of the extent of our business - that no information should be given to the one Bank more than to the other, and that they should be both requested to give sealed secret offers on a fixed day. As I was the person selected by the Company, I proceeded to Glasgow and Edinburgh, and at interviews with the respective managers I told them that, as the business, if exposed, would greatly injure us. I could not agree to either manager consulting more than one individual director of each Bank. I need

1. R.S. Rait, 1930, p.184.

not enter on particulars further than that our partners were all highly satisfied with the offer of the Union Bank."¹

C.D. Gairdner revealed how anxious provincial bankers were over their weak position in these last days and also that make-over offers on equal conditions were made to the two banks, which the Union Bank won. None the less, the success of the Union Bank might not be due entirely to the better offer it proposed. Perhaps it was Sir William Forbes & Co. who suggested Hunters & Co. might join them, because Hunters & Co. were for "a long period in confidential communication with Sir William Forbes, James Hunter & Co."² on the subject of amalgamation as the minute book of the Glasgow & Ship Bank, which soon followed them to merge with the Union Bank, afterwards disclosed.

The Union Bank paid £25,000 to Hunters & Co. in August 1843, who transferred a large amount of deposits to the extent of £0.5m with seven branches to the Union Bank.

E. Glasgow & Ship Bank

The eldest Glasgow based Ship Bank, set up in 1749, had long lost its initiative since the death of its prominent leader, Robin Carrick, in 1821, and, thus, joined the small but enterprising Glasgow Bank in 1836, which was itself a creation of Dundee entrepreneurs. The amalgamated Glasgow & Ship, though still a provincial bank, was a substantial concern in all terms of business as table 1.6 sets out; the paid-up capital, £500,000, equal to that of the Union Bank, note circulation £180,000, large deposits of more than £1.4m and total reserve and profits of more than £100,000 in 1843. Indeed, the Glasgow & Ship was effectively on the scale of joint-stock banking although not of course with an equivalent number of partners.

Naturally, the Glasgow & Ship considered offering their shares to the public as a joint-stock concern in the spring of 1843 and even prepared a new contract of co-partnership as well as new banking premises at the top of Virginia Street, which were completed in 1843.³

1. C.D. Gairdner, 1902, p.19.

2. Glasgow & Ship Bank, Minute of the Board of Directors, 8/11/1843.

3. Ibid., 9/3/1843, 23/3/1843, 30/3/1843.

However, the time was not favourable for the Glasgow & Ship to convert itself into an open bank, because Glasgow was already over-banked. In the early 1840's Glasgow banking entered the stage of amalgamation. Consequently, the partners of the Glasgow & Ship Bank, witnessing the make-over of Hunters & Co. to the Union Bank, came to the conclusion that,

"In the course of last summer, the longest established and highly respected copartnership of Messrs. Hunters & Co. of the Ayr Bank, having resolved to merge their business in that of a Joint-Stock Company, thought proper to make overtures on the subject to the Union Bank and after a short negotiation an agreement was concluded on terms satisfactory to both parties and which the Directors still continue to consider highly advantageous to the Union Bank. - - (The directors of the Glasgow & Ship) had at last resolved to adopt the new prevailing system of a Joint-Stock Company, when in preparing to do so, it occurred to them that the most eligible way of effecting object would be, instead of attempting to create a new constituency, to connect themselves with this Company, whose accumulated funds, their position and connection would enable them to turn into safe and profitable channels of investments. Upon this idea suggested to the directors - after gradually communicating to each other - both parties came to the conclusion that no two co-partneries could be better suited for forming an Union advantageous to each."¹

The Union Bank expressed the merits of the amalgamation from its point of view that,

"The general ground upon which it has been proposed to unite the Glasgow and Ship Bank and the Union Bank, are, that the Union Bank from its various junctions with and assumptions of the business of other banks has acquired a large disposal amount of funds than it can readily employ with profit and safety, whilst the Glasgow and Ship Bank, from its long established business connections has the means of employing

1. Glasgow & Ship Bank, Minute of the Board of Directors, 8/11/1843.

this surplus to advantage; and therefore a coalition/ by which also a large part of the present annual expense would be saved/would be equally for the advantage of both."¹

The merits and purposes expressed by the two boards of directors indicated that the two banks encountered difficulty in placing funds more profitably and safely in severe competition, exemplified by railway financing.

The similar size of business of the two banks made it easier for them to unite. The capital stocks were, of course, treated as of equal value making up the total paid-up capital of £1m. No payment was made by either of them. The manager of the Union Bank, J.A. Anderson, was to be a manager of the united Bank whose business was to be conducted exclusively in premises at the top of Virginia Street, just completed by the Glasgow & Ship Bank.² This was a real amalgamation among the five though the Union Bank was a little larger in dimension and the title of the new Bank was that of the Union Bank.

F. First Amalgamation Movement, 1836-1843.

In addition to this successful amalgamation, the Union Bank had an opportunity to take over the Leith Bank (provincial, est. 1792) which rejected an offer made by the former. It failed in 1842. This abortive case was possibly fortunate for the Union Bank.

Table 1.6 shows the situation of the assimilated banks at their amalgamations, or at the nearest dates possible, and the money terms of take-overs, from which we could group five take-overs into three categories. The first category consisted of only one case - the Glasgow & Ship Bank - which was an amalgamation in its real sense. No payment was made and all business was regarded as equal by both banks. The second category was the case of Sir William Forbes & Co. who were paid a larger sum than that paid

1. U.B.M., 10/10/1843.

2. U.B.M.G.B., 13/10/1843. Glasgow & Ship Bank, Minute of the Board of Directors, 9/11/1843.

to the other three banks. It is certainly true that Sir William Forbes & Co. were absorbed by the Union Bank, but it should also be noted that their fine firm was invaluable in raising the status of the Union Bank, more firmly establishing the Edinburgh business and effecting other amalgamations. The last category comprised the other three which might have proceeded on their own part to make over their business to the Union Bank as was suggested by the case of Hunters & Co. and might have been paid sums nearer to their capitals as was suggested by the case of the Paisley Union Bank. In these cases, however, the Union Bank could more easily dictate terms because of their lesser importance compared to the banks in the first and second categories.

Table 1.6 Amalgamations of the Union Bank of Scotland, 1836 - 1843

	(1) <u>Thistle Bank</u> April 1836	(2) <u>Sir William Forbes & Co.</u> April 1838	(3) <u>Paisley Union Bank</u> July 1838	(4) <u>Hunters & Co.</u> August 1843	(5) <u>Glasgow & Ship Bank</u> November 1843	<u>Union Bank of Scotland</u> April 1844	<u>Abortive Case</u> (6) <u>Leith Bank</u> May 1842
1. Total							
Liabilities	£1,284,072	£1,580,835	£447,099 ⁸	-	£2,414,665	£6,294,782	-
2. Capital paid	287,050 (22.4)	-	24,000 ⁸ (5.4)	£18,000 ¹⁰ (1.7)	500,000 (20.7)	1,000,000 (15.9)	-
3. Deposits	451,583 (35.2)	1,137,860 (72.0)	333,507 (74.6)	500,000 (46.8)	1,414,233 (58.6)	4,427,780 (70.3)	£116,407
4. Notes	338,080 (26.3)	309,466 (19.6)	87,598 (19.6)	428,387 ¹¹ (40.1)	179,380 (7.4)	243,152 (3.9)	5,500
5. Advances ²	480,812 (37.4)	824,057 ⁷ (52.1)	137,233 ⁹ (30.7)	-	1,789,799 (74.1)	4,669,414 (74.2)	-
6. Investments	45,336 (3.5)	434,885 (27.5)	13,707 ⁸ (3.1)	118,354 (11.1)	-	973,114 (15.5)	-
7. Reserve	1,344 ³ (-)	91,500 ⁶ (5.8)	-	-	50,030 (2.1)	100,000 (1.6)	-
8. Profits	16,844 (1.3)	16,000 (1.0)	-	2,620 ¹² (0.2)	55,000 (2.3)	82,623 (1.3)	-
9. Dividend	5% ⁴	-	-	-	8% ⁸	7½% ⁵	-
10. Partners	517 ⁴	6	3	10	36	-	10
11. Offices	14	4	5	8	3	29	4
12. Money Term of Take-over	-	£7,362	£21,600	£25,000	equal	-	£5,000

Notes 1. () of each column, % of total liabilities or of the aggregate of available figures.
2. Discounts and cash advances.
3. Contingent account.

Sources: U.B. Annual Report, U.B.M., U.B.M.G.B., U.B.A.A.B., U.B.P.J., U.B.P.L., Cl.B. Minutes of the Board of Directors, N.E.S. Minute of the Board of Directors, C.W. Boase 1867, J. Buchanan 1884, R.S. Rait 1930, J.M. Reid 1938, and C.W. Munn 1931.

What were the motives for the amalgamations ? The answers are already given in the case studies. The assimilating Union Bank had the problem of placing funds more profitably and safely under the circumstances of increasing competition, which was aggravated more especially from the mid-1830's, when the provincial and private banks were also struggling in their last days. The assimilated banks, though small and outdated, except the Glasgow & Ship, must have had a long-established network of customers to whom the Union Bank might not have had access until it took over their banks. Accepting offers from the long-established banks, the Union Bank took the opportunity of obtaining new customers.

The motives of the absorbed banks seem to be easily understandable, because they undoubtedly saw the passing of their days and usefulness as C.D. Gairdner put down that "the transfer of our business to another Bank was a mere matter of time". But why did they do so ? Advances as a percentage of deposits might provide an answer to this question. The percentages, except that of the Glasgow & Ship, did not exceed 100%; Sir William Forbes & Co. 72%, the Thistle 70% and the Paisley Union 41%. Even the largest private bank, Sir William Forbes & Co., whose deposits were larger than those of the Union Bank, lent only less than three quarters of their deposits. The Paisley Union Bank, situated in the middle of keen competition in the West, lent less than half of its deposits. Why could they not lend more ? They might have thought that greater lending out of deposits would be risky because they were vulnerable to runs which might happen at any time in a fluctuating economy like the mid-1830's. For instance, C.D. Gairdner deplored the possibility that "some foolish story should cause a run upon us." Consequently, it could be argued that only a bank based on a substantial capital stock was capable of lending safely to the growing as well as fluctuating economy. This was the reason why the Glasgow & Ship Bank, which had a large capital of half a million, could lend in excess of its deposits, though even the Glasgow & Ship considered putting itself on a joint-stock principle.

It must also be stated that the absorbed banks had difficulty in placing their funds in advances. Some banks must have lost borrowing customers faster than they lost depositors perhaps because the size of the loans they were prepared to offer was insufficient to meet customers' needs. Small scale banking in terms of capital and advance had been much diminished by the early 1840's, at least in Scotland.

Table 1.7

Joint-Stock Banks and Amalgamations, 1830-1844

No.	Year of Est.	Joint Stock ¹	Absorbed Banks ²		Remark ³
				Provincial & Private	
1. Commercial Bank ⁴	1810		Arbroath Bank (1844)		charter (1831)
2. National Bank	1825	No. 18 (1844)	Commercial Bank of Aberdeen (1833), Perth Union (1836)		charter (1831)
3. Aberdeen Town & County	1825		Thistle (1836), Sir Wm. Forbes (1838), Paisley Union (1838), Hunters (1843), Glasgow & Ship (1843)		
4. Union Bank	1830				
5. Ayrshire Bank	1830				to No. 6 (1845)
6. Western Bank	1832	No. 14 (1844)	Greenock (1843), Dundee Union (1844).		
7. Central Bank (Perth)	1834	No. 5 (1845)			
8. North of Scotland (Aberdeen)	1836				
9. Eastern Bank (Dundee)	1838				
10. Southern Bank (Dumfries)	1838	No. 16 (1844)			to No. 13 (1841)
11. Clydesdale Bank	1838	No. 20 (1844)			
12. Caledonian (Inverness)	1838	No. 10 (1841)			became No. 21 (1844)
13. Edinburgh & Leith	1838				to No. 6 (1844)
14. Paisley Commercial Bank	1838				
15. City of Glasgow	1839				to No. 11 (1844)
16. Greenock Union	1840				became No. 21 (1844)
17. Glasgow Joint-Stock	1843				to No. 2 (1844)
18. Bank of Glasgow	1843				
19. //					

Table 1.7 (continued)

	<u>Year of Est.</u>	<u>Joint¹ Stock</u>	<u>Absorbed Banks Provincial² & Private</u>	<u>Remark³</u>
No. 19. Glasgow Banking Co.	1843			to No. 6 (1844)
20. Glasgow Bank (No. 2)	1844			to No. 11 (1844)
21. Edinburgh & Glasgow	1844			No. 13 + No. 17

Notes 1. Bank symbolised as number in the table. (); year of amalgamation.

2. (); year of amalgamation.

3. (); year.

4. Absorbed Caithness Bank in 1826.

Sources: S.G. Checkland, 1975, tables 9 and 11.
C.W. Munn, 1981 (b).

Scottish banking as a whole entered the stage of amalgamation in the mid-1830's as table 1.7 sets out. In aggregate, seventeen amalgamations were accomplished. Eleven of them were accomplished by the Glasgow banks; five by the Union, four by the Western and two by the Clydesdale. The banks which the Union Bank took over were all provincial and private in comparison to the cases of the Western and Clydesdale Banks. As a result, only three provincials survived the stormy amalgamation movement, that is, the Dundee Bank, the Perth Bank and the Banking Co. in Aberdeen (revised as joint-stock in 1839). Among them, the Aberdeen and Perth Banks were eventually taken over by the Union Bank in 1849 and 1857 respectively, as will be discussed in the following chapter.

4

THE EMERGENCE OF THE UNION BANK OF SCOTLAND
AS A NATIONAL BANK in 1844

The years from 1841 to 1844 witnessed the culmination of the controversy over banking and currency. In 1841, there was appointed the Select Committee on Banks of Issue, which extended its investigation to Scotland. The Scottish banks despatched a delegation, led by A. Blair, treasurer of the Bank of Scotland, to the Select Committee, before which Blair argued for Scottish banking, especially small notes. In spite of his argument, a Bank Act, which would affect Scottish banking, was thought to be unavoidable.¹

In these circumstances, the directors of the Union Bank began to consider a change in their organisation in order to obtain a charter. The task of preparation was entrusted to Sir William Forbes & Co., who sounded the opinion of the Lord Advocate and Sir William Rae of the Royal Bank because it was thought that all applications would be referred to them.² Despite the effort of Sir William Forbes & Co., the application of the Union Bank was

1. See chapter 2.1.

2. U.B.M., 17/3/1842. Regarding advantages of obtaining a charter, see chapter 2.1.

unsuccessful again perhaps because of opposition from the public banks and only the change in the organisation was carried out at the special meeting of the shareholders held in May 1843.

Changes in the copartnery were made in eight articles of the original contract, of which three were important amendments. In the first place, the Bank abandoned the local name "Glasgow" and styled itself simply as "the Union Bank of Scotland". In the second place, the nominal capital stock was decreased from £2.5 m to £1 m divided into 10,000 shares of £100, of which £50 was to be paid up. In the third place, two head offices were instituted at Glasgow and Edinburgh and the number of directors was increased to twelve, half of whom were to constitute each board of directors at each head office.¹

Although the change in the Company's form was mainly aimed at obtaining a charter, there were other purposes which are worth mentioning. Firstly, the capital stock, which was raised to £2.5m in 1839, was again changed, being reduced to £1m, which was the same amount as that of the Glasgow & Ship Bank. From this, it could be argued that as early as in May 1843 the directors of the Union Bank were expecting amalgamation with the Glasgow & Ship. This suggestion can be supported by another fact - that the directors of the Union Bank endeavoured to increase their small reserve, which had decreased due to the losses caused by the Paisley business, to £50,000 in the course of the business year of 1843/44, which was exactly the same as that of the Glasgow & Ship. Consequently, it is fair to say that the directors, intending to amalgamate with the Glasgow & Ship, were smoothing the way for it, as they expressed that the amalgamation was "much simplified" because of the same amounts of capital and reserve in both.²

Secondly, the amended fifteenth article of the contract contained the insertion that,

1. Appendix II, amendments.
2. U.B., Special Report, 8/11/1843.

"George Forbes, David Anderson, Sir Adam Hay, and Charles Forbes, being the acting partners of the late firm of Sir William Forbes, James Hunter & Company, shall be re-eligible as Directors so long as they continue to hold the requisite amount of stock."¹

The special treatment of the four persons was undeniable evidence that their management at Edinburgh was still, or increasingly, indispensable for the Union Bank as a whole. However, all of them were not necessarily willing to continue their service. During the course of discussion on the change of the copartnery, one of them, that is, George Forbes, expressed the desire for earlier retirement, say in one year, according to the arrangement at the time of junction in 1838.² He was persuaded to remain in the directorate.

Whatever the importance of the Edinburgh directors was, however, it was certainly the Glasgow directors who led the Union Bank to amalgamate with five banks and so develop the business. Their energy shown in take-overs was something like an omen of the enterprise of their successors in the late 1840's and 1850's by which the Union Bank again grew rapidly, as will be discussed in the following chapter. Among them, John Leadbetter was apparently the most notable director. As a linen merchant, he was one of the large borrowers of the Bank and himself took over another firm of merchants in 1841.³ As a director of three railway companies, that is, the Ayrshire, Edinburgh and Glasgow and Dumfries, he was more than able to obtain business for the Bank.⁴ Although a conservative in politics, he was never so in banking, being always ready to accept new opportunities. When the first westward move of the Bank premises was being discussed in 1832, he supported the proposal despite the opposition of Robert Stewart, the leader in establishing

1. Appendix II, amendments.

2. U.B.M., 4/4/1843.

3. Ibid., 28/12/1841.

4. Anon., 1886, One Hundred Glasgow Men, pp.175-6.

Anon., 1896, Old Glasgow, p.106.

the Union Bank. Although it is not quite true to say that he took the leadership of the Bank, Leadbetter was undoubtedly the most remarkable director in the amalgamation period.

The growing business accompanied by the successful amalgamations also raised the status of the Glasgow manager. The amendment in the copartnery made him a member ex officio of both boards of directors at Glasgow and Edinburgh. This was effectively the institution of the general managership though the term was not adopted until the late 1870's. The management of J.A. Anderson pleased the directors who increased his salary to £1,500 per annum on the consideration of "the encreased duties and the responsibility devolving on Mr. Anderson" in the autumn of 1843 when the last amalgamation was completed.¹

In establishing their branch network, the directors did not show aggressiveness. From 1836 to 1844, the number of branches increased by 15 to 29, which were chiefly a result of the take-overs of Sir William Forbes & Co. and Hunters & Co. The Bank did not always keep open the branches which had been taken over. Save for those taken over, no branches were created between 1841 and 1843. The directors thought that "the improvement and regulation already established"² should be the priority. However, the investigation of branches was carried out only by occasional inspectors to whom members of the staff of the accountant's department of the Glasgow office were usually appointed. It was in the autumn of 1843 when the Bank first instituted the inspectorate following an increase of seven branches taken over from Hunters & Co. The first inspector was I. Stock who was a member of the accountant's department and who had been frequently engaged in the occasional inspections.³

During the first fourteen years, the Glasgow head office of the Union Bank moved three times. In 1833, immediately after the setting up of the Western Bank, it moved from 114 Trongate, the

1. U.B.M., 12/12/1843.

2. Ibid., 13/5/1841.

3. Ibid., 19/9/1843, 2/11/1843.

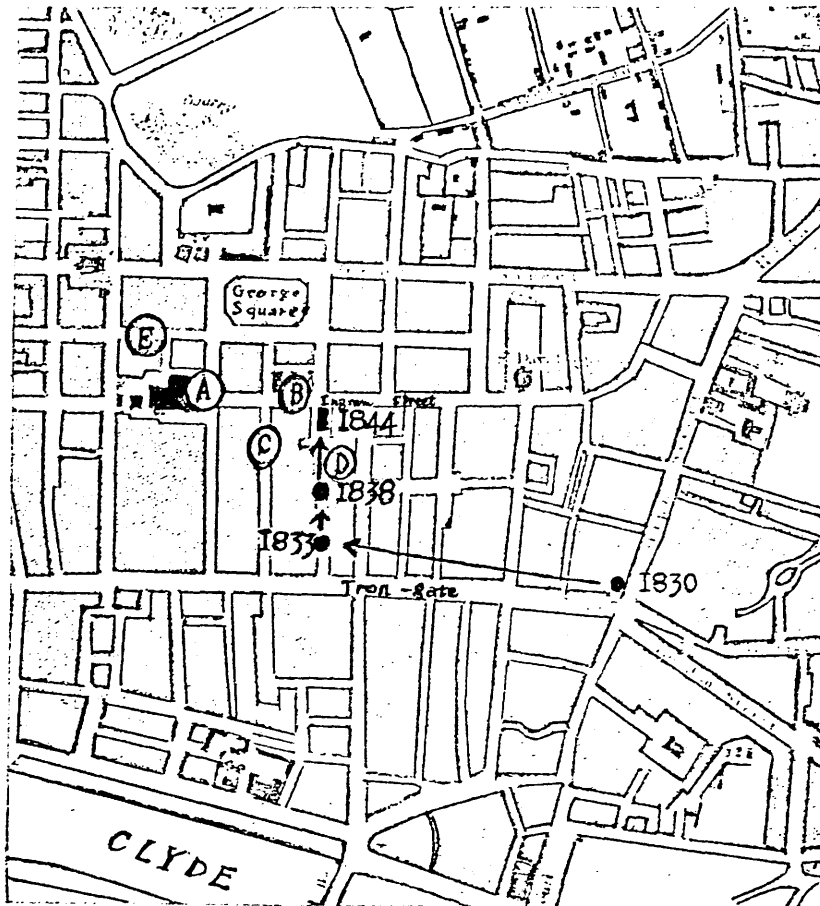
old city centre near the Market Cross, to the foot of Virginia Street. In 1838, again following the setting up of another joint-stock bank, the Clydesdale Bank, it moved northward along Virginia Street. Lastly in 1844, it moved into the newly built premises of the Glasgow & Ship Bank, situated at the top of Virginia Street.¹ The coincidence of the moves along with the creation of new banks suggests that the Union Bank, feeling increasing competition, eagerly wished to move westward, where the Glasgow banking centre was emerging and, therefore, inter-bank relationship and facilities for information could be improved (see Map 1.2). As a result of the moves of the Union Bank office, the Glasgow banking centre was basically formed by the mid 1840's.²

The first fourteen years of the Union Bank, the first Glasgow based joint-stock, were tremendously successful. The total amount of liabilities jumped up from £0.7m to £6.3m in 1844, which was almost the same as that of the Royal Bank in 1845 and ten times larger than the provincial Dundee Bank in 1844.³ Thus, the Union Bank of Scotland, primarily owing to the amalgamations, and leading the Glasgow challenge, firmly established itself in the heart of the industrial West.

1. U.B.M., 8/1/1833, 23/8/1838, Glasgow & Ship Bank, Minute of the Board of Directors, 9/11/1843. See also C.F. Freebairn, 1924 (a), p.240.
2. See S.G. Checkland, 1975, Diagram 2.
3. Ibid., table 42, C.W. Boase, 1867, pp.422-3.

Map 1.2*Head*

Move of the Glasgow/Office of the Union Bank and Glasgow
Banking Centre in 1844



- | | |
|---------------------|------------------------------|
| A. Queen Street | D. Virginia Street |
| 1. Royal Bank | 6. Commercial Bank |
| 2. British Linen | 7. National Bank |
| 3. Clydesdale Bank | 8. Union Bank |
| B. Ingram Street | 9. City of Glasgow Bank |
| 4. Bank of Scotland | E. St. Vincent Street |
| C. Miller Street | 10. Edinburgh & Glasgow Bank |
| 5. Western Bank | |

Sources: as map 1.1.

CHAPTER 2

RAPID GROWTH, 1844 - 1858

The Union Bank of Scotland, a synthesis of the six banks and based on the two cities, entered a period of rapid growth for another fourteen years influenced by the unprecedented development of the British economy. Developing their business, the Union Bank took over another two banks, invading the North and East and establishing itself all over the country. It was this rapid growth that also resulted in great difficulties for the Union Bank.

I

CO-OPERATION AND COMPETITION

The emergence of the Union Bank as a national bank, which was increasingly committing itself to banking affairs not only in Scotland but also in Britain as a whole, resulted in a relationship between the Bank and others which was shown in two ways, that is, in co-operation and competition.

The Union Bank joined other Scottish banks to try to prevent Peel's Bank Act from coming into existence. Note issue was the classic subject of discussion in England well before the nineteenth century, but before the 1840's Scottish banking had not undergone serious restriction though the issue of small notes was endangered in 1825. However, during the late 1830's when joint-stock banks were rapidly emerging both in England and Scotland and the economy was convulsed by speculation, Sir Robert Peel's government began to consider a disciplinary legislation on banks of issue not only in England and Wales but also in Scotland and Ireland under the principle of the Currency School, which had formulated that both inflation and speculation resulted from the excessive issue of notes and also that a certain portion of note issues should be backed by bullion.¹

1. F.W. Fetter, 1965, passim.

Confronting this serious situation, the Scottish banks dispatched a delegation, whose chairman was the manager of the Union Bank, J.A. Anderson, to the Select Committee on Banks of Issue (1841). Before the Select Committee, Alexander Blair, treasurer of the Bank of Scotland, a distinguished banking scholar of his time and a friend of Thomas Tooke, argued for the Scottish case that,

"The notes are not held by the public, but are paid into their accounts; in consequence of the rate of interest allowed by the banks, no one in Scotland has any inducement to keep bank notes in his pocket, and the general practice of the country is, to keep the circulation at as low a rate as possible; then the numerous branches which are situated up and down the country are the means of taking notes of their neighbours out of the circle, speedily as possible, and they are transmitted, of course, without delay to Edinburgh to be exchanged; - in fact it (circulation) is at a minimum."¹

The existence of the system of branch offices, which gave in Scotland one branch per 6,000 people, was instrumental to a great extent in encouraging a speedy return of notes to the issuers. The note exchange was also held twice weekly in Edinburgh, Glasgow and elsewhere. Under this Scottish system, and as Tooke argued against the Currency School, notes were never issued in excess of those needed by the public. Indeed, the proportion of notes to deposits was one to ten. Furthermore, as the Scottish banks did not re-issue discounted bills, there was rarely any anxiety over the abuse of rediscounting which remained an English phenomenon.²

Despite strong objection by the Scottish banks, Peel succeeded in legislating the Bank Act of 1844 in England and Wales (7 & 8 Vict. c.32) immediately intimating in the spring of 1845 his willingness to enact the same law in Scotland. The only step which was available for the Scottish banks at this moment was to urge the prime minister to extend the limits of note issues. Indeed, this was the crucial point, but their effort was in vain and the Bank Act of 1845 came

1. Select Committee, 1841, Q.1727.

2. Ibid., QQ.1683, 1685, 1790, 1794, 1797.

into existence in July 1845. The first article of the Act stipulated that,

"it shall be lawful for every such banker to continue to issue his own bank notes to the extent of the amount so certificated, and of the amount of gold and silver held by such banker at the head office or principal place of issue of such banker, in the proportion and manner herein-after mentioned, but not to any further extent; and it shall not be lawful for any banker to make or issue bank notes in Scotland, save and except only such bankers as shall have obtained such certificate from the commissioners of stamps and taxes."¹

Under this Act, the amount of notes issued by each Scottish bank was to be limited within that of the average circulation over the year preceding 1 May 1845, and issues in excess of the authorised amount had to be covered in gold or silver. This was the first act, that had a serious and substantial effect on Scottish banking. It also became a decisive factor in separating the Scottish system from its English counterpart, making it more difficult for the Scottish banks, which had various as well as different notes from their English counterparts, to invade England.²

The effect of the Bank Act was soon felt by the Union Bank, probably in common with other banks. The directors stated in their annual report that,

"(The regulations of the Bank Act) had effect of locking up in the coffers of the Bank, a very unnecessary amount of the precious metals - thus rendered totally unproductive. - In the main object of its enactment, it has proved, as already mentioned, signally inefficient."³

The Union Bank also joined the unchartered Scottish banks in petitioning for a charter. In spite of the prohibition of new issuing joint-stock banks, stipulated by the Bank Act, the competitive

1. 8 & 9 Vict. c.38.

2. C.W. Boase, 1867, p.432. S.E. Thomas, 1934, pp.526-8.
S.G. Checkland, 1975, p.458.

3. U.B., Annual Report, 14/5/1846.

situation was growing among the existing Scottish banks. Under this circumstance, the unchartered banks suffered inconvenience and handicap, compared to the five chartered Edinburgh banks, which the directors of the Union Bank explained,

"the double object of obtaining a charter - more convenient transmission of heritable property and being enabled to hold certain public and other deposits, directed by law to be limited to chartered banks."¹

This was the purpose of obtaining a charter, for which the Union Bank had unsuccessfully applied by the early 1840's. After the legislation of the Bank Act, the four Glasgow banks, the Union, Western, Clydesdale and City of Glasgow, together with the Edinburgh & Glasgow Bank, joined forces to urge the government to grant charters under Peel's Act (9 & 10 Vict. c.75). In the spring of 1850, the five banks sent a memorial to the Lord Advocate who had an opinion of,

"the banks to forego the benefit of charters rather than subject themselves to the disadvantages which might arise from subjecting to the provisions of the existing act."²

It was expected that a charter under Peel's Act would oblige a bank, which would apply for it, to disclose its business. This condition was totally unacceptable to the unchartered banks.

During the first half of the 1850's, the five banks continued their co-operation and in this the Union Bank took the initiative. In February 1851, to amend the Bank Charter Acts, the directors of the Union Bank drew a draft of a bill, which was then delivered to the secretary of the Treasury. Furthermore in January 1854, another memorial was sent to the Treasury, which, eventually, promised to introduce a short bill so as to enable the unincorporated banks to obtain charters under Peel's Act without giving up their common law rights. Peel's Act was thus to be amended (19 & 20 Vict. c.47 and 20 & 21 Vict. c.14) and the directors of the Union Bank declared in the annual meeting of 1856 that a "charter may now be safely applied for,"³ but application for a charter was not made because the 1857

1. U.B., Annual Report, 14/5/1846.

2. U.B.M., 20/2/1850.

3. U.B. Annual Report, 8/5/1856. See also S.E. Thomas, 1934, pp.590-1.

disaster, in which the Western Bank collapsed, soon followed. Consequently, the first joint action of the Glasgow banks, which the directors of the Union Bank termed "the charter movement" ceased to exist, and incorporation of the unchartered banks, together with the adoption of limited liability, was not realised until another big and insecure City of Glasgow Bank disappeared in the general crisis of 1878.¹

So far, co-operation. Scottish banking developed price competition during the middle of the 1840's especially in Glasgow, where there were seven joint-stock banks just before the enactment of the Bank Act and whose lending opportunities had already by the late 1830's overtaken those of Edinburgh.² The amalgamations could not mitigate the competition, which was even aggravated by the establishment of exchange companies.³ In these circumstances, the rate policy of the Edinburgh chartered banks was becoming increasingly inefficient, especially in Glasgow.

As A. Blair of the Bank of Scotland put forward before the Select Committee of 1841, it had already been the practice by 1841 that the Scottish bank managers met to "consider whether any change should be made in the rate of deposit and the rate of discount."⁴ The meeting was usually held at the office of the Bank of Scotland, the senior bank, which was apparently taking the initiative. This situation, which had already started to change in the late 1830's,⁵ began to turn totally against the Edinburgh chartered banks in the mid-1840's. In September 1844, Adam Hay of the Edinburgh Board of the Union Bank intimated that a meeting of the bank managers had been held in Edinburgh to consider a reduction in the deposit rate. No agreement being reached, the delegation of the Edinburgh banks arrived in Glasgow a week later to discuss the matter. The meeting again failed to make any resolution.⁶ The failure to reach agreement was evidence that the Edinburgh banks found it increasingly difficult to direct the Glasgow banks in the decision on their rates, which put up with a half per cent smaller margin than their Edinburgh counter-

1. U.B.M., 31/1/1851, 8/1/1854 and passim.

2. T.R. Gourvish, 1969, p.301.

3. See chapter 2.2(2).

4. Select Committee, 1841, Q.1924.

5. See chapter 1.3(1).

6. U.B.M., 10/9/1844, 17/9/1844, U.B.M.G.B., 12/ 9/1844.

parts in order to obtain depositors and borrowers thus competing with each other and challenging Edinburgh banking.

At least from 1844 to 1848, the leadership in price competition was taken by the Glasgow banks, especially by the Western Bank which certainly needed an instant change of rates following the alteration of the Bank of England rate because it was doing aggressive business with narrow reserves and was therefore vulnerable to fluctuations in the growing economy. The earliest proposal for changes in rates on the part of the Western Bank appeared in the autumn of 1844, the manager of the Union Bank reporting that,

"The manager, after meeting with Smith of the Western Bank of Scotland, suggesting Edinburgh Committee increase a discount rate of local bill which was approved and suggested any arrangement with the Edinburgh banks would be best made through their Glasgow agents."¹

The quickest to respond was the City of Glasgow Bank which was followed by the Clydesdale and the Edinburgh & Glasgow Banks. The Union Bank was the most reluctant among them. In February 1847 when the Western Bank together with the City of Glasgow Bank raised their rates on deposits, the Union Bank delayed the increase on the recommendation of A. Hay, Edinburgh director, and C.D. Gairdner, Kilmarnock agent, though it was forced to raise its rate two weeks afterwards.²

In this severe price competition, the role of the Union Bank was special in one respect. As suggested in the record of the minutes of the Union Bank quoted above, the directors did not neglect to make arrangements with the Edinburgh banks before their decision was made. Also in November 1845 and in November 1847 when the Bank of England rate was altered and the Glasgow banks, excluding the Union Bank, instantly changed their rates, communication was made by the Union Bank to the Edinburgh banks.³ In this way, the Union Bank was standing in the middle between Edinburgh and Glasgow banking. This attitude, it was hoped, might counteract the rivalry between the two cities. This behaviour was certainly due to the existence

1. U.B.M., 12/11/1844.

2. Ibid., 29/1/1847, 3/2/1847.

3. Ibid., 8/11/1845, 10/11/1847, U.B.M.G.B., 25/1/1847. N.B.S.

Minute of the Board of Directors, 10/11/1845, 17/11/1847.

of the former partners of Sir William Forbes & Co. in the Edinburgh directorate.

Whatever its attitude might be, it was also true that the Union Bank was competing with others. In February 1847 when the Western Bank increased the rates of interest to $3\frac{1}{2}\%$ on current account and to 4% on more permanent account, the directors of the Union Bank, though resolving to have a single rate on both kinds of deposits, approved that,

"The manager had written them (agents) to say to any depositors that might enquire, that the same rate would be allowed to them as had been advertised by the Western and City Banks."¹

Also in July 1850 when the Bank of England rate was as low as $2\frac{1}{2}\%$, the directors of the Union Bank gave the manager a discretionary power to charge a lower discount rate to certain customers as,

"various rates of discount which at present prevail among the different Banks in town. The manager was desired to exercise such discretionary power in regard to the rates of approved bills as he thought calculated to meet the existing competition."²

The price competition continued unabated at least until 1854 when the Glasgow banks began to follow conjointly changes in the Bank of England rate.³ Over the next decade, Scottish banking as a whole ceased to compete in rates, at least on the surface.⁴

During this phase of co-operation and competition, the Union Bank developed its business as table 2.1 sets out. The Bank grew by 140% in terms of total liabilities, which was, however, not easily achieved. From 1844 to 1847, the Bank grew steadily, increasing the dividend from $7\frac{1}{2}\%$ to 8% in 1847 which was declared by the directors to be "permanently maintained",⁵ though they also warned the shareholders of a hidden danger of catastrophe. Indeed, the 1847 crisis incurred for the Bank a loss of more than £12,000.⁶

1. U.B.M., 3/2/1847.

2. Ibid., 10/7/1850.

3. Ibid., 12/5/1854.

4. S.G. Checkland, 1975, p.486.

5. U.B. Annual Report, 13/5/1847.

6. See chapter 2.5(1).

The amount of liabilities decreased in the two successive years of 1848 and 1849 and the reserve had to be depleted in order to maintain an 8% dividend.

Table 2.1

Growth of Liabilities, 1844 - 1858

	<u>Liabilities</u>	<u>Growth Index; 1844:100</u>
1844	£6,294,781	100.0
45	6,642,512	105.5
46	6,695,188	106.4
47	6,753,233	107.3
48	6,221,661	98.8
49	6,062,090	96.3
50	7,741,526	123.0
51	8,150,622	129.5
52	7,915,409	125.7
53	8,661,280	137.6
54	8,728,187	138.7
55	8,289,758	131.7
56	8,159,896	129.6
57	8,775,532	139.4
58	8,827,550	140.2

Note: date as in April each year.

Sources: U.B. Annual Reports.

The downward trend was stopped by the amalgamation with the Banking Co. in Aberdeen in the autumn of 1849 and, as a result, the Bank entered an upward trend from 1850 to 1854, though the Bank sustained a large loss of more than £20,000 by the failure of Alexander Russell & Sons (iron founders, Kirkcaldy) in 1850 and another loss at Glasgow in 1852. These losses must have resulted in the decrease of liabilities between 1851 and 1852.

From 1854 to 1858, the amount of liabilities moved V-shaped. In 1856 when the amount decreased by £130,000, the directors raised a dividend to 9% assuring the shareholders that the "most careful consideration to the present and future prospects of the Bank"¹

1. U.B. Annual Report, 8/5/1856.

had been made. In May 1857, the Bank, again anticipating an approaching catastrophe, added £40,000 to the reserve which amounted to £200,000. The difficulties in the 1857 crisis were unprecedented in the Bank's history, but the Union Bank increased its liabilities in the course of the crisis which reached the highest point in 1858. This increase in difficulty was mainly, the result of the take-over of the Perth Bank in the summer of 1857, which had nearly £0.9m of total liabilities.¹

The development of the Union Bank in this period, though substantial, was thus fluctuating. The decrease of business was relieved twice by amalgamations. Indeed, the Union Bank, which was in a sense literally a synthesis of six banks when it entered this period, was only able to develop as long as it was taking over others.

2

BUSINESS IN THE RAILWAY AGE

1. The Innovation of a New Method of Advances and an Increase of Acceptance Business

In this period, advances on credit account for the first time constantly ranked with those on discount as table 2.2 shows. Between 1845 and 1858, the amount of credit accounts even overtook that of discounts four times in 1850, 52, 56 and 58. From this, the claim of Professor Cameron that,

"Cash accounts remained an important lending device of the Scottish banks until at least the second quarter of the 19th century,"²

should be revised at least in the case of the Union Bank as, that credit accounts were increasing in the mid 19th century and from time to time gained the position of the primary method of advances.

Table 2.2 also suggests that there was a correlation between the growth rate of total liabilities and the volume of advances on discount. Excluding 1855 and 1858, the growth of liabilities correlated absolutely with the increase in discounts. On the

1. See chapter 2.4(2).
2. R. Cameron, 1967, p.77.

Table 2.2

Methods of Advances, 1845-1858

	<u>Credit Account</u> <u>to overdrafts</u>	<u>%</u>	<u>Discount</u>	<u>%</u>	<u>Growth of</u> <u>Liabilities</u> <u>1845:100</u>
1845	£1,818,307	40	£2,750,613	60	100
46	2,021,701	40	3,079,863	60	101
47	1,914,583	38	3,153,728	62	102
48	2,051,694	49	2,170,620	51	94
49	1,973,440	50	1,939,315	50	91
50	2,702,287	55	2,214,676	45	117
51	2,419,019	48	2,609,908	52	123
52	2,671,662	53	2,349,459	47	119
53	2,449,094	49	2,589,154	51	130
54	2,778,919	48	2,981,467	52	131
55	3,053,549	50	3,058,939	50	125
56	3,073,734	51	2,908,441	49	123
57	3,128,235	47	3,522,086	53	132
58	3,858,501	54	3,277,996	46	133
Average	-	48	-	52	-

Notes: 1. %; proportion between the two methods.

2. Date as in April each year, except 1858 whose figure is as in May.

Sources: U.B. Annual Report, 13/5/1858. U.B.A.A.B.

other hand, credit accounts tended to increase when the growth of liabilities lost ground as in the years of 1849, 52, 55 and 56, to which the year 1858 could be added because the increase in liabilities at that time was probably due to the amalgamation with the Perth Bank. From these correlations, we may conclude that discounts were one of the main factors of the development of the joint-stock bank. This subject will be re-examined in the following chapters.

Along with the development of ordinary advances, the Bank innovated an unusual method of lending, that is, loans of 'railway company stock.' In all, the Bank lent railway stock for £150,000, two thirds of which were borrowed by J. & A. Dennistoun & Co. (merchants at London and Glasgow). The term of the loan was thus,

"1. That the promissory note of the firm be granted at three months for the present value the stock being about £102,000 with discount added at the rate of 6% per annum,

2. That the same amount of the London & North Western stock be replaced in the Bank's name within three months from the first of November, failing Messrs. Dennistoun doing so, the Bank reserves power to buy in the stock, any loss arising on the operation to be borne by Messrs. Dennistoun."¹

1853 was just a year after the hectic period of railway investments, in which the Union Bank was involved, holding a large amount of railway stock. What advantage the Bank could gain from loans of railway stock is not exactly clear. The motive might have been simply to make use of the hoarded stock. Therefore, this sort of lending was not repeated because the hectic years of railway investments passed very quickly as will be discussed in the following section.

Already, prior to 1844, the Union Bank started acceptance business, but it was in the post 1844 period when British foreign trade was rapidly developing that this commission business made remarkable progress. Bills of exchange, which were the most useful as well as popular method of payment especially in foreign trade, had to be guaranteed by the drawee to the effect that the payment would be made on maturity. Originally, this guarantee was made by the drawee himself.² In consequence of the development of foreign trade, especially from as far away as East India, America and Australia, it became increasingly difficult for the drawer of bills of exchange to obtain accurate information on the creditworthiness and financial situation of the drawee, that is, the payer. In order to overcome this inconvenience, a person or firm in a financial and commercial centre began to guarantee the payment on behalf of the drawee. This guarantor was termed acceptor or accepting house during the hectic years of Anglo-American trade in the 1830's.³

1. U.B.M., 28/10/1853.

2. H.D. MacLeod, 1889, pp. 327-8.

3. W.T.C. King, 1936, p. 94.

Before entering the operation of acceptance business, two essential arrangements had to be made between the acceptor, or the bank, and the drawer and drawee, or the bank's customer. In the first place, the bank issued the customer the open or clean letter of credit which promised acceptance of bills drawn and this had to be produced to the correspondent of the bank. The open letter of credit was often termed simply 'open credit'. In the second place, the extent to which the bank would guarantee had to be determined. It was usually arranged that the limit of acceptance would be renewed when the payment was effected at maturity, and, therefore, the acceptance allowed on this arrangement was often termed 'running or revolving credit.'¹ Consequently, the acceptance business was termed acceptance, open credit, running credit and also issue of credit as carried out by the Union Bank. From time to time, the bank proposed to take security, but there was a large number of unsecured authorisations, many cases of which were in the Union Bank and which added to this business another terminology - 'uncovered credit'.

By the early 1850's the directors of the Bank were well acquainted with the acceptance business whose development primarily resulted from the progress of the American and Australian trade in which J. & A. Dennistoun & Co. were especially active. A detailed example can be shown by the arrangement made between the Union Bank and Jaffray & Co. (merchants, London) that,

"The credit to be a running one, terminable after four months' warning from either party, each advance to be payable at the expiration of six months from the date of deposit by bills of exchange endorsed by their New York House drawn by (first) Dennistoun, Wood & Co., or A. Dennistoun & Co., or the Liverpool Borough Bank, (second) by Bank of British North America, (third) Brown Brothers & Co., or Brown, Shipley & Co., (fourth) M.Morgan or Overend, Gurney & Co., (fifth) by Duncan Sherman & Co. or George Peabody & Co. or Union Bank of London or such others as shall from time to time be approved of by the Bank, their bills deposited being

1. R.W. Hidy, 1949, p.133. Gillet Brothers' Discount Co., 1952, part II. Metropolitan College, n.d., pp.13, 182.

returned to them on the bills of exchange being placed in the hands of the Bank's agents."¹

In this case, it is not really clear whether or not the Bank directly accepted bills. More usually Glyn & Co., London correspondents of the Bank, accepted bills on behalf of the Bank. In such case, the minutes recorded as "running credit - upon Glyn & Co. to be available by drafts at 30 to 60 days."² Commissions for acceptances were ordinarily from $\frac{1}{4}$ to $\frac{3}{4}\%$.

Acceptance business also developed the relationship of the Union Bank and international banking as the arrangement with Jaffray & Co. suggests. The houses of Brown, Morgan and Peabody were already famous merchant bankers. On the other hand, there was a latent risk in this business as it was often unsecured and employed in distant foreign trade which was vulnerable to price fluctuation as well as the political situation of foreign countries and colonies. Indeed, Dennistoun & Co. suffered losses caused by their trade to America where the 1857 crisis originated and, thus, involved the Union Bank in great trouble.³

Facing the expanding economy, the Union Bank was giving greater financing to two sectors other than railways, that is, the trade and the iron & steel industry. Large borrowers in the trade sector were those engaged in foreign trade, such as Dennistoun in the American and Australian trades, Kelsall & Co. (London) and Finlay, Campbell & Co. (Liverpool) both in the East India trade. They operated mainly on discounts and acceptances, together with cash credits. In October 1853, the account of Dennistoun stood at nearly £400,000. Through their business, the Union Bank also obtained new customers with whom Dennistoun's had business relations.⁴ The business of Dennistoun's was indeed one of the main factors in the development of the Bank.

In the sector of the iron & steel industry, there were two groups of customers. One group was composed of the industrialists such as Dunlop & Co., the Monkland Iron & Steel Co. and the West of Scotland Malleable Iron Co. Each advance to these industrialists

1. U.B.M., 23/3/1853.

2. Ibid., 23/9/1847.

3. See chapter 2.5(2).

4. U.B.M., 28/10/1853.

was quite large, exceeding £50,000, which was usually allowed on discounts or credit accounts. Except the Monkland Iron & Steel, which was suspected of being in trouble during the early 1850's,¹ the others were profitable and large outlets for the Bank's resources. Dunlop & Co. were supplied with funds which enabled them to take over other works, expanding their capability of production around 1850. West of Scotland Malleable, which had been a customer of the Western Bank, transferred its account in the autumn of 1848 to the Union Bank, soon obtaining a large credit of £100,000.²

Another group in this sector was iron dealers who might be included in the sector of trade. However, they could be safely grouped into this sector because they seem to have specialised in the iron trade and also Glasgow was famous for its large iron market.³ Notable borrowers were J.G. Hamilton and T. Walrond who were allowed advances on discount, cash credit and overdraft to the extent of £30,000 between the late 1840's and early 1850's. In granting credits, the Bank usually took personal bonds or railway stock as security. It was not until the early 1850's that the directors allowed iron warrants or scrips as security.⁴

Otherwise, there was no perceivable characteristic in the sectoral lending of the Union Bank. One thing to be noted was that the Union Bank for the first time awarded a credit of £20,000 to J. & G. Thomson, shipbuilders, in May 1855, whose debits gradually increased over the next ten years, resulting eventually in financial difficulties during the early 1880's.⁵

2. Railway Financing

There was a similarity between railway lending and investments. When an advance was made on railway stock or debentures, the result was the same as investments to the effect that the bank was in possession of railway securities. However, there was a basic difference between the two businesses. When the bank lent to a rail-

1. U.B.M., 25/9/1851.
2. Ibid., 13/9/1848.
3. R.H. Campbell, 1955.
4. U.B.M., 29/9/1852.
5. See chapter 5.3(2).

way company, or any other customer, on railway stock, a margin of 15 to 20% as to the amount to be repaid was always claimed by the bank by which any loss arisen from depreciation of the market price of railway shares could be covered. Therefore, lending on railway stock was much less speculative and risky than direct investments.

Already, prior to 1844, railway lending was quite important as well as profitable for the Union Bank which was competing with other Scottish banks to do railway business. Also in this period, the Union Bank was very anxious to obtain railway business, often forming a cartel with other Scottish banks as they did in the previous years, so that,

"The chairman and secretary of the latter (Edinburgh & Glasgow Railway) when calling to this payment stated that they now propose doing half of their business with this Bank and other half with the branch of the Commercial Bank was informed by the manager in reply to enquiries by them that he thought the Bank would not object to their overdrawing their account to the extent of £15,000 or £20,000 if required, which was approved."¹

Cartel lending, formed with four other Scottish banks, was also made to the Edinburgh, Perth & Dundee Railway for £128,000 on aggregate at 5½% in February 1850 and to the Monkland Railway for £50,000 at 4½% in January 1851.² Cartel lending in railway financing was thus very common among the Scottish banks which obviously sought to spread their risks.

In advancing to the Scottish railway companies, the Union Bank preferred personal bonds to railway stock even after February 1849 when the manager was authorised to increase advances on railway stock to £200,000.³ Nearly half of railway lending was made on personal bonds in this period. Why the Union Bank preferred them is not exactly known. We might speculate that inter-directorates between the Union Bank and railway companies, exemplified by

1. U.B.M., 13/1/1847.
2. U.B.M.G.B., 4/2/1850, 9/1/1851.
3. U.B.M., 14/2/1849.

John Leadbetter, resulted in this selection, or that the marketable quality of the Scottish railway stock or any situation of the Scottish stock exchange had an effect. The length of time for advances was usually less than twelve months and sometimes only a few weeks. Consequently, Scottish railway lending by the Union Bank was no longer than for its ordinary advances. The principal borrowers in addition to the three mentioned above were the Glasgow & South Western (the amalgamated version of Ayrshire Railway), North British, Caledonian and Great Northern.

The Union Bank lent to the English railway companies chiefly through Glyn & Co. Large scale lending commenced according to the resolution of February 1849. As the advances were mainly made through the London correspondents, they were granted entirely on railway stock or debentures and no authorisation was made on personal security. The margins were from 10% to 25%. The Bank preferred larger companies like the London & North Western, South Eastern, Great Western and Midland. Length of loan tended to be longer than the Scottish case, being mainly six months and in some cases two to three years. English railway lending was, thus, more similar to investments.

Even before 1847, "the great railway construction peak,"¹ the Union Bank made investments in railway securities such as the Ayrshire, London & Birmingham, Northern & Eastern, Eastern Counties and Midland Counties.² But it might also be true, as George Kinnear, manager of the Glasgow Commercial Exchange Co. (est. 1845), put forward,³ that the Scottish banks as a whole were rather reluctant to invest in railway securities which must have been thought by them as against their principle of self-liquidating credits. This attitude of Scottish banking resulted in the proliferation of exchange companies. In only the two years of 1844 and 1845, more than nine exchange companies were created, of which at least eight were operating in Glasgow.⁴ Their business was conducted in the way that;

"to lend no money in Scotland or on Scottish lines;
to select for securities 10 or 12 work lines in whose

1. P. Deane and W.A. Cole, 1969, p.231.

2. U.B.P.L., 5/10/1838 and passim.

3. G.Kinnear, 1848, p.11.

4. Ibid., p.19.

shares there was (sic) daily transactions in the London market; not rely on personal security but solely on the margin in the value of the stock beyond the sum advanced; and to sell promptly and peremptorily whenever that margin was not maintained."¹

Through this operation, which was no more than stock-broking, depriving Scotland of resources, the exchange companies could earn a margin of some 2½% though they offered a much higher deposit rate than the Scottish banks.²

This profitable business attracted the interest of the Scottish banks, but carefully enough, they first avoided taking to this business independently. Instead, the Scottish banks joined forces in 1847 to establish "an association among the Banks for the purpose of facilitating the investment of money by the Banks and other Public Bodies in loans upon Railway Stock,"³ and this was the first joint scheme of business by the Scottish banks. The initiative came from the Royal Bank and the Bank of Scotland which drew a plan to take over the British Trust Co.⁴ Five banks, including the Union Bank, were to join and a detailed scheme was prepared, in which the Union Bank was to take 250 shares in the Company.⁵ So far, successful. When the take-over bid was about to be made, suddenly the Bank of Scotland dropped out on the ground of "some difficulty to take shares in British Trust Co. in their corporate capacity."⁶ This excuse seems to be irrational because it is unlikely that the directors of the Bank of Scotland had not earlier considered their legal capacity in this respect. They might perhaps have perceived a certain danger in railway investments. The initiator, the Royal Bank, too, soon followed the Old Bank. The first joint scheme of the Scottish banks was, thus, abandoned within four weeks in March 1847. However, the abandonment might have been a wise decision because the 1847 crisis, which burst the railway mania, followed in only seven months.

1. U.B.M., 14/6/1848.

2. S.G. Checkland, 1975, p.342.

3. U.B.M., 5/3/1847.

4. G. Kinnear, 1847, pp.3-4, 5.

5. U.B.M.G.B., 19/3/1847.

6. U.B.M., 31/3/1847.

After the 1847 crisis, the Scottish banks had to pursue railway investments separately. In the summer of 1848 when British banking was entering the cheap money era, the Union Bank encountered an increasing problem in employing funds more profitably and the directors began to consider railway investments. At this very moment, the most active Glasgow Commercial Exchange Co., which had an account with the Union Bank,¹ was wishing to make over their business because of their prospects becoming increasingly difficult. The Union Bank took the opportunity to purchase in June 1848 the whole business of the Exchange Co. whose scale is unfortunately unknown.² However, the directors did not proceed further than the business already undertaken by the Exchange Co. They even rejected a proposal raised by the shareholders in the annual meeting of 1850 to increase railway investments.³

In the spring of 1852 when the Bank of England rate was further reduced to 2% which was the lowest since its establishment in 1694,⁴ the directors of the Union Bank were finally forced to change their policy declaring that,

"Since then (May 1850) directors' opinion of railway security and property have undergone a considerable change and they now think that it may be safe as well as advantageous to the Bank to employ a certain portion of their fund in such investments."⁵

The large scale investments, thus, commenced in May 1852 and amounted to £530,000 in August 1852,⁶ but almost ended in the same month as table 2.3 sets out. As early as in October of that year, the Union Bank began to dispose of railway securities. The change in policy was probably due to increases in the Bank of England rate, which was raised six times in 1853, reaching 5% in September, and to yields of Consols, which were also gradually recovering.⁷

1. U.B.M. Scroll Book, 13/1/1847.

2. U.B.M., 14/6/1848, 21/6/1848.

3. "A proposal" was made known in the annual meeting held on 13 May 1852.

4. B.R. Mitchell and P. Deane, 1976, p.456.

5. U.B. Annual Report, 13/5/1852.

6. U.B.M.G.B., 12/8/1852.

7. B.R. Mitchell and P. Deane, 1976, pp.455-6.

Table 2.3Main Railway Investments, 1852.

<u>Date</u>	<u>Railway Security</u> ¹	<u>Amount</u>
May 5	Lancaster & Carlisle	£50,000
May 5	Lancashire & Yorkshire	10,000
May 26	South Eastern	10,000
June 23	Clydesdale Junction	30,000
June 23	Glasgow, Paisley & Greenock	630
June 23	Barrhead & Neilston	1,120
June 23	Garnkirk & Glasgow	1,758
June 23	Glasgow & South Western	6,700
July 14	London & North Western	11,450
July 14	York, Newcastle & Berwick	26,250
July 14	London & South Western	10,000
July 28	London & North Western	30,000
August 4	same	30,000
August 11	same	10,000
August 11	Glasgow, Paisley & Greenock	11,000
August 18	London & North Western	20,000
November 4	Garnkirk & Glasgow	3,031
November 4	Glasgow, Paisley & Greenock	3,875
December 15	Caledonian ²	30,000
Total		<u>£295,814</u>

Notes: 1. Otherwise mentioned, stock.

2. Debentures.

Sources: u.B.M. as at dates.

Indeed, the Bank placed the proceeds of railway stock in Consols and short term loans such as in the hands of Overend, Gurney & Co. at the beginning of 1853.¹ The railway mania of the Union Bank ceased in only four months and the directors never repeated this scale of railway investments.

1. U.B.M.G.B., 13/1/1853.

3. 'Illegal' Foreign Investments and the Purchase of Union Bank Stock

In December 1850 when the directors of the Bank were still hesitant in embarking upon railway investments, they could not see their way to place surplus funds in foreign investments, which were still illegal according to the contract. Nevertheless, the Bank ordered Overend, Gurney & Co., through the Edinburgh committee, to purchase Canadian bonds, but the offer of sale did not appear. However, from 1853 to 1858, when the Bank was getting rid of large railway investments, they were in possession of, at least, two foreign securities, that is, Turkish and Canadian bonds, the latter amounting to £22,000 in February 1853.¹ 'Foreign investments' were talked about only in the Edinburgh boardroom, and the records of their holdings were kept in the private journal at the Edinburgh office beyond which they never made appearance.² If the contract had been amended so as to enable the Bank to invest abroad, there probably would have been large foreign investments, say, securities of stable foreign governments, instead of railway securities.

The 'formal' portfolio of the Union Bank's investments, excluding railway securities, is shown in table 2.4. Surprisingly, not an inconsiderable amount of funds was constantly placed in Union Bank stock. There were two ways by which the Bank gained possession of its own stock. Firstly, the directors were authorised by the contract to buy the Bank stock as ordinary investment. If this power was used to a great degree, the directors could improve the market price of their shares. Secondly, the twenty-seventh article of the contract stipulated that,

"an offer of the share or shares shall be first made - to the Directors, - shall have full power to accept, and three lawful days shall be allowed them to consider of the same - after the lapse thereof, the Partner making the offer shall be entitled to make a sale, or sales ..."³

When the offer was accepted by the directors, the offered share was in possession of the Bank or transferred to other shareholders. It is not known which way was prevailing between 1845 and 1852, but

1. U.B.M.E., 28/2/1853, 8/8/1853.

2. U.B. Private Journal (Edinburgh), 19/4/1856, 20/4/1857, 20/4/1858.

3. Appendix II.

no matter what, a large holding of its own stock undoubtedly supported the market price of the Union Bank share. Indeed, the minute book itself confessed that the directors resolved,

"to buy Bank shares under £95 when the purchaser were not found."¹

Table 2.4

Investments, 1845 - 1852

	<u>Union Bank</u>	<u>Glasgow</u>	<u>Glasgow</u>	<u>Exchequer</u>	<u>Consols</u>	<u>East India</u>
	<u>Stock</u>	<u>Gas Stock</u>	<u>Water Stock</u>	<u>Bill</u>		<u>Bond</u>
1845	£63,450	£11,055	£5,536	-	-	-
46	55,273	11,324	6,332	-	-	-
47	78,016	3,490	5,499	£50,131	-	-
48	73,798	2,486	3,685	25,500	-	-
49	91,777	2,617	2,925	39,877	£18,400	£12,275
50	105,509	15,863	7,691	71,932	38,450	-
51	130,425	-	9,709	30,810	38,900	23,715
52	123,205	-	5,250	-	-	-

Note: Date as in April each year.

Sources: U.B.M.G.B. as at April 20 each year except 1845 and 1851 whose dates are as at April 19.

Consequently, a large premium, say, 54% in 1848,² might be the result of this large holding, and probably this happened with other Scottish bank shares.

The directors of the Union Bank did not seem to have attached great importance to government securities, especially Consols, up to the late 1840's. The constant holding of Consols was seldom seen after the 1847 crisis and even disappeared in 1852. This might be due to the imperfection of available material from which we could know where surplus funds of the Bank were going. However, it is fairly reasonable to say that the directors had not yet built up an idea of holding, at least, Consols as safe investments or so called 'secondary reserve'.

1. U.B.M.G.B., 13/5/1846.

2. Edinburgh Almanac, 1849, quoted by J.W. Gilbert, 1849, p.544.

4. The London Correspondents and the International Banking Connection

As J.A. Anderson, the manager, suggested before the Select Committee of 1841, the Union Bank tended to move the surplus funds among other banks in search for higher returns in the 1830's.¹ This kind of inter-bank loan was reported only in three cases; the East of England and Monmouth & Glamorgan Banks in 1846 and the Northumberland & Durham District Bank in 1848.² The reduction of this sort of operation was probably due to rates of interest being gradually unified in the British Isles.

Instead, London became the place where the Union Bank increasingly and constantly placed its funds. In London, three firms of correspondents were operating. Glyn & Co. were the principal correspondents doing business with many Scottish banks, and their relationship with the Union Bank was further strengthened by the take-over of the Banking Co. in Aberdeen which had an account with them. Glyn & Co. continuously increased their business with the Union Bank which awarded them a commission of the London broker's rate up to £60,000 and $\frac{1}{2}\%$ on sums beyond £60,000 to £100,000.³ Another two firms of correspondents were Overend, Gurney & Co. and Coutts & Co. who were doing business chiefly with the Edinburgh office.⁴ Money was usually placed in the hands of these correspondents at very short notice, like seven to ten days,⁵ which was clearly 'secondary reserve' in its nature.

It was also in this period that the Union Bank opened an account with the Bank of England, which also suggests that the Union Bank was building up a reserve policy against its small holding of Consols. In the spring of 1848 when the Union Bank was struggling with the surplus funds accumulated in the wake of the 1847 crisis, the Edinburgh directors strongly recommended that an account with the Bank of England should be,

"a respectable thing itself and giving easy access to the Bank of England."⁶

1. Select Committee, 1841, QQ.2411, 2443.
2. U.B.M.G.B., 9/7/1846, U.B.M., 22/7/1846, 5/7/1848.
3. Ibid., 19/1/1851.
4. U.B.M.E., 7/11/1844 and passim. U.B.M.G.B., 8/1/1852 and passim.
5. U.B.M., 22/7/1846. U.B.M.G.B., 8/1/1852.
6. U.B.M.E., 21/3/1848. See also U.B.M.G.B., 13/4/1848.

The reserve policy of the Union Bank, which emerged, at least, as short term deposits placed in the hands of London correspondents and the Bank of England, was of vital importance to its survival in the 1857 crisis as will be discussed later. In this respect, the Edinburgh directors were indeed a corner-stone of the Union Bank.

As the Union Bank increasingly committed itself to foreign trade financing, exemplified by the business of Dennistouns,¹ its international banking connection widened. Firstly, in the autumn of 1844, the Rothschilds, Paris, were introduced by Sir Adam Hay, Edinburgh director.² Secondly, at the beginning of 1845, the Union Bank opened an account with King & Co., New York, who were the agents of Dennistoun & Co.³ Thirdly, in the summer of 1846, the Bank started business with the Agra Bank of India.⁴ Lastly in 1852, the Union Bank of Australia joined the network of correspondents.⁵ Thus, by the early 1850's, a network of the Union Bank's correspondents was established on the main continents, whose development might result in increasing the business of the London correspondents because the acceptance business of the Union Bank was mainly done by them, especially Glyn & Co.

Due to foreign trade financing, a risky situation was also developing with regard to the Union Bank, which was again illustrated by the business of Dennistoun's. Aggressively trading with America and Australia, Dennistoun's was also borrowing money from another bank, that is, the Liverpool Borough Bank which also owed money to the Union Bank. The opening of 'double accounts', especially of large amounts should be refrained from by the borrower and should not, in the view of a banker, be approved of because they could easily be used to produce 'a kite' as a contemporary banker argued.⁶ Indeed, the triangular relationship between the three was destroyed in the 1857 crisis, as will be discussed later.

1. See chapter 2.5(2).
2. U.B.M.G.B., 14/11/1844.
3. U.B.M. Scroll Book, 14/1/1845.
4. U.B.M.E., 30/5/1846.
5. U.B.M., 7/7/1852.
6. J.W. Gilbert, 1849, pp.240-1.

THE REORGANISATION OF THE BOARD OF DIRECTORS
AND
THE EXPANSION OF THE BRANCH NETWORK

1. The Dual-Board System

There were two Scottish banks which had two boards of directors along with two head offices. The Edinburgh & Glasgow Bank, which was the product of the amalgamation of the Edinburgh & Leith and Glasgow Joint Stock Banks in 1843, instituted two boards, one in Edinburgh and one in Glasgow at their merger. Almost from the outset of the amalgamated Bank, there was deep-rooted conflict between the two boards of directors who even refused to communicate their minutes to one another, indulging themselves in their own gains and also following the risky business of railway investments as exchange companies did. The result was heavy losses incurred in the 1847 and 1857 crises from which the Bank was not able to recover and eventually in 1858 it was obliged to make its business over to the Clydesdale Bank.¹ The dual-board system of the Edinburgh & Glasgow Bank was unsuccessful. Another bicameral system was in operation at our Union Bank of Scotland. How did this come about ?

Before the establishment of the head office at Edinburgh, a local committee, instituted at the outset of the Edinburgh branch in 1830, was responsible for the conduct of business there and this was succeeded by the personal management of Sir William Forbes & Co., amalgamated with the Union Bank in 1838. By the amendment of the contract in 1843, the managing directors at Edinburgh formed the new board exclusively at the new Edinburgh head office, formally called "Committee of Directors for Edinburgh". Under an agreement, the four Edinburgh directors were entirely responsible for the management at the new head office between 1843 and 1846, during which the firm of 'Sir William Forbes & Co.' still remained in the Scottish scene and no managership was instituted. In May 1846 when the transition period expired, the general board of directors expressed in the annual meeting that,

1. S.G. Checkland, 1975, pp. 340-1, 466.

"The directors would deeply regret the change in the Edinburgh management, if they apprehended that it would lead to the withdrawal of the interest and influence of the former partners of Sir William Forbes & Co. - the prosperity of the Edinburgh business so essentially depends on (their services)."¹

The fine firm of Sir William Forbes & Co. was finally assimilated with the Union Bank and disappeared from Scottish banking.

Under the management of the Edinburgh directors, the special character of the Edinburgh business had been emerging as table 2.5 sets out. The amount of business done at Edinburgh was quite large reaching 25% of the total liabilities of the Union Bank as a whole.

Table 2.5

Edinburgh Balance Sheet, June 1846

<u>Liabilities</u>		<u>Assets</u>	
Current Accounts	£803,156	Current Accounts	£343,138
Deposit Money	338,149	Cash Chest	132,809
Notes Payable	1,532	Bonds Payable	28,017
Bank Account	88,369	Bank Account	386,235
London Account	19,058	London Account	210,390
General Account	29,307	General Account	145,733
Bank Notes	183,820	Government Securities	84,005
Do of Union Bank	194,001	Bills Discounted	87,318
		Balance of Cash	239,745
Total	£1,657,391		£1,657,391

Source: U.B.M., 30/6/1846.

"Cash chest" literally contained gold and silver coins. "Bank account" was supposed to be money deposited with other banks. "London account" must have been the sum of funds placed in the hands of London correspondents. Both advances made on these two accounts were at very short term. Consequently, the aggregate of bullion, short term loan and government securities, which were the main constituent of banking reserve, was £1,053,184 which was nearly two thirds of the Edinburgh business.

1. U.B. Annual Report, 14/5/1846.

The special position of the Edinburgh business was strengthened as a result of the legislation of the Bank Act of 1845 which obliged the Scottish banks to hold gold and silver to the extent of the circulation in excess of their authorised amounts. Intending to make use of the hoarded gold, the directors resolved in the autumn of 1845 that,

"It was the opinion of the meeting that the present system of exchanging by means of Exchequer bills should be discontinued and that if gold be used instead the principal stock of it held by the Bank should be kept in Edinburgh."¹

The task of adjusting a proportion between gold and Exchequer bills was to be carried out by the Edinburgh directors. However, it is very doubtful that this operation actually came into existence, because no other evidence supports its existence and the Union Bank purchased a large amount of Exchequer bills for £100,000 in the first half of 1847.² Whatever the motive might be, the idea of clearing balances by gold must have been rather unrealistic considering its expense and risk.

The Edinburgh office was, indeed, the safe of the Union Bank, where the Edinburgh directors were carefully watching the position of the Bank reserve. This duty must have been executed most suitably by such persons as the late partners of Sir William Forbes & Co. whose existence in the directorate was also indispensable in another respect.

In the autumn of 1843 when the Union Bank merged with the Glasgow & Ship Bank, the two directors of the Bank, including John Leadbetter, a leading figure in the amalgamation period, retired from their offices which were filled by two partners from the Glasgow & Ship. Thereafter, the Glasgow board of directors was seemingly 'taken over' by the former partners of the Glasgow & Ship Bank. The active directors in this period were all from the Glasgow & Ship; Alexander Dennistoun (merchant), John Tennant (chemical industrialist), Theodore Walrond (iron merchant) and John Young whose business is not known. Another person, John Fergus (textile manufacturer, Kirkcaldy), joined the Edinburgh board from 1850.

1. U.B.M.G.B., 29/10/1845.

2. Ibid., 11/3/1847, 3/6/1847.

Among them, A. Dennistoun, aggressive trader to America and Australia and one of the largest shareholders,¹ was causing a stir in the boardroom.

In spite of the large holding of Bank stock, his business was outgrowing his capacity to borrow on stock, and, thus, he raised twice, in 1845, the subject of increasing the Bank capital. This suggestion was discussed^{and} by the other directors.² Furthermore, Dennistoun asked the Bank to adopt a new kind of advance, that is, loan of railway stock, which he obtained.³ He was also a borrower who very frequently demanded additional credit. Besides Dennistoun, there were another two directors' firms at risk both of which were the outcome of the amalgamation with the Glasgow & Ship Bank; Michael Rowand, Dunlop & Co. (merchants, Glasgow) and Monkland Iron & Steel Co. both of which stopped payment in 1848 and 1861 respectively.⁴

It was in these circumstances that the Edinburgh directors stepped in to obviate any doubtful business by their Glasgow counterparts. In the middle of the 1847 crisis, Sir Adam Hay laid on the table two motions,

- "1. That all advances from this time shall be restricted as much as possible until the Bank holds a sum of about £500,000 in government stock, Exchequer bills, or with Messrs. Overend & Co.,
2. that the Bank shall not purchase its own stock in future, and only acquire shares in cases of bankruptcy where thought advisable."⁵

Also at this meeting, a special warning was given to A. Dennistoun that,

"Mr. Anderson having been asked whether Mr. Dennistoun was acting on the understanding with him, in regard to his transaction with the Bank. Mr. Anderson answered that he was."⁶

1. The number of Dennistoun's shares in this period is not clear. However, the list of shareholders later in 1885 reveals that the Dennistoun family held 7,570, a tremendous sum, of which 5,500 were the holding of A. Dennistoun (Appendix IV.C).
2. U.B.M., 18/9/1845, 2/10/1845.
3. See chapter 2.2(1).
4. See chapter 2.5(1) and chapter 3.1.
5. U.B.M.G.B., 9/12/1847.
6. Ibid., 9/12/1847.

The first motion was carried and, as a result, restricted the conduct of the Bank for nearly one year, during which the Edinburgh directors continued to keep a close watch on their Glasgow counterparts as the minute of the general board recorded that,

"Motion 1 - was called attention by Sir Adam Hay; who requested the continued attention of the Glasgow directors and manager to its fulfilment."¹

Nevertheless, how satisfactorily this motion was adhered to is very doubtful because the holding of government securities did not notably increase as is shown in table 2.4. However, it could be argued that at least the Edinburgh directors had perceived the importance of a reserve policy.

The second motion was rejected. The majority of the directors thought that the market price of the Bank shares should be supported by purchases made by the Bank itself especially when the price was falling sharply from £95 to £78 in the aftermath of the 1847 crisis.² During this period, the Bank bought a substantial amount of its own stock, the result of which was the large holding from 1848 to 1852 as has been mentioned. If the directors had not purchased these shares, the market value would have fallen more drastically. Why did the Edinburgh directors raise such a motion which could adversely affect the situation of the Bank? There is no evidence to suggest their motive for this motion, but it might be argued that they were simply displeased to see the manipulated support of the market price of the Bank stock. This idea, we may suppose, might originate from that "beau-ideal of the Edinburgh banker", Sir William Forbes of Pitsligo.

There was, thus, an apparent difference of banking policy between the two boards of the Union Bank. The Glasgow directors were obviously expansionists. However, excluding the case of Dennistoun's financing, no serious conflict, such as between the sections of the Edinburgh & Glasgow Bank, existed. In aggregate, the conduct of the Union Bank could keep an even balance, due to the two boards of Edinburgh and Glasgow directors, who preferred

1. U.B.M.G.B., 12/10/1848.

2. The Glasgow Stock Exchange Daily List, passim.

policies of stability and growth respectively. As long as the balance could be maintained, the Union Bank was able to grow steadily. The Union Bank was under trial during the hectic years of British economic growth in the 1850's during which the equilibrium was seemingly lost. The result was the tremendous difficulties in the 1857 crisis as will be discussed later.

2. The Expansion of the Branch Network

It is unexpectedly difficult to assess an accurate number of branches between 1844 and 1858. The difficulty is due to the fact that the Union Bank was establishing as well as withdrawing its branches, especially in the late 1840's.¹ This was one of the effects of the Bank Act of 1845 which obliged the Scottish banks to hold bullion against amounts in excess of their authorised note issues, because the Union Bank, intent on counteracting the increased cost of holding larger reserves of gold, discontinued some of its branches which had been created only for the purpose of pushing its circulation.² Therefore, table 2.6 shows only the outline of the branch network. However, even from this incomplete table, one point comes out - that the directors were careful in establishing branches till 1848 when the Union Bank stood the sixth in the ranking of the Scottish banks. (see table 2.7).

Table 2.6

Number of branches in the 1840's and 1850's

1841	22
44	29
48	31
49	48 ¹
56	73
57	96
58	99

Note: 1. Simple addition of the 17 offices of the Banking Co. in Aberdeen amalgamated with the Union Bank in 1849 to the existing 31.

Sources: Select Committee, 1841. Edinburgh Almanac, 1849, 1857, 1858. Table 1.6. Appendix IV.B.

1. U.B.M.G.B., 12/8/1847 and passim.

2. U.B.M. Scroll Book, 16/5/1845.

Compared to the above period, a great increase was made over the next ten years. Twenty-nine of the increased branches were the result of the take-overs of the Banking Co. in Aberdeen in 1849 and Perth Bank in 1857. At the time of the closure of the Western Bank in 1857 the Union Bank took over two branches and three agents of the former.¹ In addition, more than the number of the taken-over branches was created by the Bank itself. The Union Bank apparently changed its policy of branch establishment which it had followed up to the early 1840's. This rapid extension of branch network was undoubtedly accelerated by the management of the new manager, James Robertson, who succeeded J.A. Anderson in 1852 and who was enthusiastic in creating offices, as presumably so were the Glasgow directors, recommending that,

"The manager mentioned that there were several towns in Peebleshire, Wigtonshire and the Stewartry of Kirkcudbright at which he thought branches might be established with advantage to the Bank. He was requested to go to Peebles and Innerleithen and to make arrangements if he saw it expedient for opening branches at both of these places."²

Two branches at Peebles and Innerleithen were immediately resolved to be opened which were soon followed by another two openings at Maryhill (Glasgow) and Tarbert. The creation of a town branch at George Street, Edinburgh, in 1856 was also the idea of Robertson.³ Eventually in 1857, the Union Bank jumped up to be the top branch holder in Scottish banking as table 2.7 sets out.

Usually, inspection of branches was made monthly by selecting several branches. If any irregularity was found, a stricter or special investigation was executed. When the investigation resulted in a change of agent, cash, bills and vouchers in the hands of the dismissed agent were immediately taken over by the inspector. If the appointment of a new agent was delayed, the inspector remained in temporary charge of the branch.⁴

Between 1844 and 1848 when the Bank was not represented in the North - except in Lerwick where the branch of Sir William Forbes & Co.

1. U.B.M., 9/12/1857, 10/3/1858, 24/3/1858.

2. Ibid., 30/5/1855.

3. U.B.M.E., 5/5/1856.

4. U.B.M., 24/6/1845, 2/9/1846, 9/9/1846.

was succeeded by the Union Bank - nor in many parts of the East, troubles happened exclusively in the West and South, that is, at Thornhill, Stranraer and Stewarton. In both cases at Thornhill and

Table 2.7

Number of Branches of Scottish Banks: Ranking in 1848, 1856 and 1857

<u>1848</u>		<u>1856</u>		<u>1857</u>	
1. Western Bank	60	1. Western Bank	98	1. <u>Union Bank</u>	96
2. Commercial Bank	47	2. City of Glasgow	97	2. City of Glasgow	92
3. British Linen	43	3. <u>Union Bank</u>	73	3. Commercial Bank	64
4. National Bank	38	4. Commercial Bank	61	4. National Bank	61
5. N. of Scotland	33	5. National Bank	49	5. Royal Bank	60
6. Bank of Scotland	31	6. British Linen	48	6. British Linen	49
6. <u>Union Bank</u>	31	7. Bank of Scotland	35	7. Bank of Scotland	42
8. Edinburgh &		7. Royal Bank	35	8. N. of Scotland	32
Glasgow	20	9. N. of Scotland	30	9. Aberdeen Town	27
9. Banking Co. in	16	10. Edinburgh &	23	& County	
Aberdeen		Glasgow		10. Edinburgh &	26
10. City of Glasgow	13	11. Aberdeen Town	20	Glasgow	
11. Clydesdale Bank	12	& County		11. Clydesdale Bank	24
11. Aberdeen Town	12	12. Clydesdale Bank	13	12. Caledonian Bank	11
& County		13. Caledonian Bank	10	13. Central Bank	9
13. Caledonian Bank	8	13. Perth Bank	10	14. Eastern Bank	5
14. Royal Bank	6	15. Central Bank	8	15. Dundee Bank	4
15. Central Bank	5	16. Eastern Bank	4		
16. Eastern Bank	3	17. Dundee Bank	1		
16. Perth Bank	3				
18. Dundee Bank	1				
Total	<u>382</u>	Total	<u>615</u>	Total	<u>602</u>

Source: Edinburgh Almanac, 1849, 1857, 1858.

Stewarton, the agents were dismissed and inspectors took temporary charge of both branches. The trouble at Stranraer was caused by a difference of opinion between the joint agents, one of whom was discharged. Any great losses were prevented in all cases.¹

1. U.B.M., 24/6/1845, 27/8/1845, 26/8/1846, 2/9/1846.

The expansion of branches into the North and East naturally increased troubles in the branch management there. Branches under the direct supervision of the Aberdeen local committees, instituted at the time of junction in 1849, caused especial anxiety to the directors, who were still wondering in January 1851, fifteen months after the take-over, how inspections there should be carried out by the cashier of the Aberdeen office.¹ Indeed, inspection of the Aberdeen branches was difficult even with regard to their location as the manager explained,

"We have a branch bank where you may say there is no town at all; there are only a church and two or three houses; but there is a rich district round them; I refer to Aberdeenshire."²

In addition, even the Aberdeen committee frequently ignored instructions from the head office. In the winter of 1853, the general board of directors twice had to send letters of warning to the Aberdeen committee which had granted a large credit on railway stock without knowledge of the board. The second letter was spelt out as that,

"While the general board are desirous that local board in Aberdeen should continue to supply the commercial and agricultural wants of their friends in the same liberal and judicious manner they have hitherto done since their connection with the Union Bank, they wish it to be understood that the consent of the general board of directors must first be obtained before transactions of such magnitude as that of MacKenzie's can finally be agreed to."³

This letter suggests that the Aberdeen committee was also partial towards particular customers who were probably former partners of the Aberdeen Bank. Despite a repetition of this warning, the Aberdeen committee tended to ignore regulations stipulated in the copartnery.⁴

1. U.B.M., 22/1/1851.
2. Select Committee, 1857/58, reproduced in; Anon., 1858, The Western Bank Failure and the Scottish Banking System, p.50.
3. U.B.M., 23/2/1853. See also *ibid.*, 19/1/1853.
4. *Ibid.*, 22/4/1857.

Another troublesome office was the Kirkcaldy branch which was set up in 1843 as a result of the amalgamation with the Glasgow & Ship Bank. The agent was George Anderson who was in charge of the agency there from 1833. None the less, his management frequently caused trouble. In January 1848, it was found that an accountant at Kirkcaldy had deliberately allowed overdrafts without the knowledge of G. Anderson. The Kirkcaldy branch was, as a result, put under the charge of the Edinburgh board which was thereafter to watch it closely.¹

In May 1850, shortly before the annual meeting, Alexander Russell & Sons (ironmongers, Kirkcaldy) failed, owing the Bank a large sum of credits. The investigation proved that the credits to Russell & Sons had been made on fraudulent statements on securities over the years. The losses were expected to exceed £20,000 which was far larger than those incurred in the 1847 crisis. It was also revealed that the fraud resulted from "the neglect of duty on the part of agent and his disregard of the rules of the Bank during a long course of years."² Anderson was obliged, due to the directors, to bear half of the loss, that is £10,000. Liability on half the amount of the loss was extraordinary because the usual liability of agents on losses was one quarter of the amount.³ The unusual demand by the directors was probably due to his blatant irresponsibility. Anderson pleaded with the board for a reduction of the penalty and J. Fergus, who was an influential director as well as one of the largest borrowers at Kirkcaldy, argued for him. Eventually the liability was reduced to £5,000, the usual amount of one quarter of the loss, "on the condition of his remaining unconnected with banking business in Kirkcaldy."⁴

During the rapid expansion of the branch network which was resulting in many irregularities especially in the North, the directors did not make any change in their system of investigation which was carried out by only three inspectors. There is no record that the directors themselves joined their inspectors. Even the Glasgow manager, despite his former career as inspector in the service of the

1. U.B.M.G.B., 13/1/1848.

2. Ibid., 21/5/1850.

3. U.B.M., -/5/1861.

4. Ibid., 28/8/1850. See also U.B. Annual Report, 9/5/1850, U.B.M.G.B. 6/6/1850.

British Linen Co.,¹ did not seem to have inspected branches himself, either. This circumstance of entrusting only three officers with inspection was, indeed, foolhardy when the Union Bank had nearly one hundred branches in the late 1850's. Consequently, the system of inspection underwent a great change in the post-1857 crisis period.

3. The Emergence of a Hierarchy in Staff Organisation

As the business of the Union Bank developed, so did the organisation. The number of the Bank staff was gradually increasing already prior to 1844, but it was in this period that a staff hierarchy was more visibly emerging.

In 1846 when the firm of Sir William Forbes & Co. was finally assimilated with the Bank, another managership was instituted at the Edinburgh office. However, the Glasgow manager was undoubtedly far more authoritative, being almost similar to a general manager, though there was no formal difference between the two managers according to the contract. Indeed, the Union Bank was represented to the Select Committee of 1858 by the Glasgow manager, J. Robertson, who explained the authority of his office that,

"(What authority have you to act without the consent of the directors ?) By special powers contained in the contract, I conduct the business of the bank in all departments, reporting to them from time to time what takes place; every week they see the whole proceedings. (Have you an unlimited authority to make advances without the consent of the directors ?) If there was anything extraordinary, I would take the directors along with me; I would not presume to make any large advance without consulting the directors."²

The manager was required to offer securities for no less than £10,000 and to hold more than 30 shares of the Bank.

As the second officer, the cashier was requested to attend meetings of the board of directors and sign formal documents in the

1. Select Committee, 1858, reproduced in; Anon., 1858, The Western Bank Failure and the Scottish Banking System, p.37.

2. Ibid., p.42.

absence of the manager. Outside the two head offices, the cashier-ship was instituted at Aberdeen and Perth as a result of the amalgamations with the Aberdeen and Perth Banks. They were all required to offer securities for more than £8,000 and to hold more than 20 shares in the Bank.

Under the two officers at the Glasgow head office, a hierarchy of the staff organisation emerged as table 2.8 sets out. Though the

Table 2.8

Glasgow Head Office Staff and Salaries in the 1840's and 1850's

<u>Officer</u>	<u>1843</u>	<u>1844</u>	<u>1845</u>	<u>1850</u>	<u>1852</u>	<u>1853</u>	<u>1858</u>
1. Manager	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500	£1,500
2. Cashier	-	-	-	-	-	-	-
3. Secretary	250	300	-	400	500	600	-
4. Accountant	250	300	-	-	400	550	-
5. Inspector	150	160	200	250	250	320	600
6. do.	150	160	200	-	300	350	600
7. do.	120	130	200				-
8. Clerk	80	90	100		-		-
9. do.	80	90	100		-		-
10. do.	80	90	100		-		-
11. do.	80	90	100		-		-
12. do.	70	80	90	929	-	2,600	-
13. do.	60	70	80		-		-
14. do.	60	70	80		-		-
15. do.	50	60	70		-		-
16. do.	80	90	100		-		-
17. do.			120				
18. do.				200	-		-
19. do.				200	-		-
20. do.				200	-		-
21. do.					-		-
22. do.					-		-
23. do.					-		-
Total	£3,060	£3,280	£3,040	£3,679	-	£5,920	-

Note: -: no data.

Sources: U.B.M., 11/6/1844, 6/5/1845, 5/6/1850, 13/4/1853, 30/6/1858.

figures in the table are very incomplete and unfortunately the salary of the cashier is unknown, a discrimination in salaries is distinguishable, that is, a great gap is evident between those of the officials-composed of the manager, cashier, secretary, account and inspectors-and others. In 1843, the salary of the manager was thirty times larger than that of the most junior clerk, though the average amount of the clerks' salaries was increased from £71 in 1843 to £163 in 1853. At the top of the hierarchy the importance of two officials was increasing. Between 1843 and 1853, the secretary was allowed the greatest rise of salary among the officials. This was undoubtedly due to his increased duty in assisting the manager under the circumstances of the developing business. The office of the secretary, which the contract did not define in any way, might have overtaken that of the cashier, ranking effectively second to the manager in this period. Another official was the inspector. No. 5 and no. 6 in the table, enjoyed large rises. This was obviously due to the expansion of the branch network especially in the 1850's.

The decision on salaries was, of course, within the authority of the board of directors. Responding to applications for increases, the directors usually appointed a sub-committee to consider them or trusted the subject to the sub-committee on establishment. There was, as yet, no special scale of salaries. On the part of the staff, excluding the manager, an ex officio member of the board, applications for increases were separately made in the 1840's. At the beginning of the 1850's, the staff started to make jointly "general application for increased salaries."¹ Although it is not known whether the general application continued, this case might be a very early example of collective bargaining of bank staff and certainly led the directors to consider their salaries annually, usually every May or June. In salary rises, the officials enjoyed five to ten times larger increases than the lower staff - which must have contributed to the making of the hierarchy.

The salaries of agents also began to be considered annually by the directors from the early 1850's, together with those of the head office staff. Their salaries must have been decided according to their volume of business, though no evidence remains. Salaries of

1. U.B.M., 15/5/1850.

some agents were far below those of the clerks at the head office, ranging from £100 to £140.¹

4

THE LAST TWO TAKE-OVERS;
INVASION OF THE NORTH AND EAST

1. The Take-over of the Banking Company in Aberdeen, 1849

In 1844 when Westminster was preparing for the legislation of a bank act which would restrict Scottish banking, the Banking Co. in Aberdeen, established in 1767 and reorganised as joint-stock in 1839, began to search for a larger concern which would take it over. However, an offer made to the National Bank in that year was rejected probably because of their poor financing situation.² Indeed, the dividends of the Aberdeen Bank were reduced to $2\frac{1}{2}\%$ and $3\frac{3}{4}\%$ on the old and new stocks respectively in 1843. Although it had 477 shareholders and 16 branches, the actual capital sum had diminished to only a little more than £7,000. The Bank was also involved in bad debts. Despite the gradual growth of the economy in Aberdeenshire, which was even developing, in the 1840's, shipbuilding and engineering sectors, though on a far smaller scale compared with the industrial West, together with fishing and agriculture in the 1840's,³ there was no bright future for the Aberdeen Bank which, however, renewed its contract of copartnery in January 1849. A few months afterwards, the Union Bank proposed to take over the business of the Aberdeen Bank and immediately entered into negotiations. The agreement was reached in June 1849 that,

- "1. The purchase of the 35,000 shares of the Aberdeen Bank stock at 30/-d. per share - £52,500. Also the call of 20/-d. per share due today - £35,000. Which sum of £87,500 would be paid in the Union Bank stock valued at £80 per share.
2. The Union Bank would open a contingent account in name of trustees for the Aberdeen Bank for which on the junction

1. U.B.M., 26/6/1850 and passim.
2. C.W. Munn, 1981, p.90.
3. H. MacKenzie, 1953, pp.250, 263.

would be credited with the remaining capital of that Bank, amounting to £7,047 and for a period of five years afterwards at each balance of the Aberdeen Bank's books after deduction of all expenses, losses, etc., a sum of £6,000 would first be carried to the credit of the Union Bank and the remainder of profits to the credit of the contingent account; the whole amount of which would be held as a guarantee for realisation of the assets of the Aberdeen Bank."¹

The institution of the contingent account was obviously due to the bad debts of the Aberdeen Bank which came into possession of a cotton mill as a result of the failure of Thomas Bannerman & Co. Despite this device, an objection was raised by a shareholder of the Union Bank who was strongly against the take-over "if it involved the purchase or working of any cotton factory."² Responding to the objection, the directors made further investigation of the books of the Aberdeen Bank, re-estimating the value of the cotton mill and instructing the Aberdeen Bank to close the account of Bannerman & Co. On the other hand, the shareholders of the Aberdeen Bank claimed that the payment to them was insufficient. The directors of the Union Bank willingly agreed to this demand, increasing their offer to £2 each on the 35,000 shares.

The negotiations took five months during which the directors of the Union Bank willingly conceded to the demands of the shareholders of both banks, thus successfully invading the North.

2. The Take-over of the Perth Bank, 1857

The Union Bank made its first take-over bid in 1849 for the Perth Bank, which rejected the offer and showed its independence, even renewing its contract of copartnery in the same year. However, in the late 1850's, the Perth Bank was compelled to take account of growing pressure by joint-stock banks whose branches were making their appearance in Perth.³ In this circumstance, the Union Bank made the second take-over bid to which the Perth Bank favourably answered, expressing that,

1. U.B.M., 1/6/1849.

2. Ibid., 1/8/1849.

3. C.W. Munn, 1981, p.97.

"It seemed to them (the directors) that the recent extraordinary multiplication of bank branches throughout the country and the consequent competition for business which these engendered threatened results of a character which by and by could scarcely fail in producing disaster - Feeling strongly that the best interests of the community, and of the banks themselves, would be promoted by a judicious consolidation and amalgamation of some of the existing banks rather than by the keen competition and rivalry which had for some time existed - the directors were led to entertain favourably overtures for a junction which reached them from one of the most influential and prosperous banks in Scotland."¹

In strong contrast to those words of C.D. Gairdner,² the Perth Bank seems to have still been confident in itself. Indeed, the market price of its shares stood at £200 (£10 paid) in 1857 compared to £100 (£50 paid) of the Union Bank shares and the amount of total liabilities was increasing during the 1850's.³ However, it was also true that the age of the provincial banks had earlier passed. The amount of their liabilities, though growing, was as small as 10% of that of the absorbing Union Bank. Thus, the Perth Bank, one of the two provincials which had outlived their days sold business for £100,050 to the Union Bank and disappeared from Scottish banking just before the disaster of 1857 which the Perth directors predicted.

3. The Second Amalgamation Movement

From 1849 to 1857, the Union Bank made six take-over bids for four Scottish banks; one each for the Aberdeen Bank in 1849 and the Dundee Bank (provincial, est. 1763) and two each for the Perth Bank in 1849 and 1857 and the Caledonian Bank (joint-stock based in Inverness, est. 1838) in 1851 and 1856.⁴ Among them, two were successful, and the financial situation at the dates of amalgamation and the terms of take-over, together with those of the unsuccessful cases, are set out in table 2.9. The Union Bank also took over the Dunblane Savings Bank in February 1857, details of which case are, unfortunately, totally unknown.

1. Perth Bank, Minute of the Board of Directors, 13/7/1857.

2. See chapter 1.3(4)D.

3. C.W. Munn, 1981, p.97.

4. U.B.M.E., 25/2/1851, 18/2/1856.

Table 2.9 Amalgamations of the Union Bank of Scotland in 1849 and 1857

	Union Bank April 1848	(1) Aberdeen Bank October 1849	(2) Perth Bank May 1857	Union Bank April 1858	(3) Caledonian Bank December 1856	(4) Dundee Bank February 1857
1. Total Liabilities	£6,221,661	£1,115,883	£866,290	£8,827,550	-	£835,910
2. Capital paid	1,000,000 (16.1)	7,047 (0.6)	100,050 (11.5)	1,000,000 (11.3)	£125,000	60,000 (7.2)
3. Deposits	3,884,829 (62.4)	820,568 (73.5)	588,605 (67.9)	6,544,064 (74.1)	-	686,605 (82.1)
4. Notes	598,664 (9.6)	269,653 (24.2)	101,977 (11.8)	598,087 (6.8)	69,450	41,906 (5.0)
5. Advances ²	4,222,314 (67.9)	694,681 (62.2)	464,867 (53.7)	6,624,274 (75.0)	-	698,429 (83.5)
6. Investments	377,505 (6.1)	182,659 ³ (16.4)	252,391 (29.1)	1,047,761 (11.9)	-	29,220 (3.5)
7. Reserve	133,320 (2.1)	-	56,000 (6.5)	200,000 (2.3)	-	30,000 (3.6)
8. Profits	48,000 (0.8)	-	56,043 (6.5)	98,224 (1.1)	-	15,764 (1.9)
9. Dividend	8%	6% ⁴	10% ⁵	9%	8%	10%
10. Number of Partners	592	477 ⁴	200 ⁵	1,113	803	79
11. Number of Offices	33	17	11	101	11	2
12. Term of Take-over	-	£105,000	£100,050	-	-	£126,000

Notes: 1. () of columns 2-8; % in total liabilities.

2. Discounts and credit accounts including overdrafts.

3. Including cash balance.

4. 1848.

5. 1856.

Sources: U.B.M., U.B.M.G.B., U.B.A.A.B., U.B.P.L., Perth Bank Minute of Board of Directors, C.W. Boase, 1867,
R.S. Rait, 1930 and C.W. Munn, 1981.

From the bids, both successful and unsuccessful, all made to the banks in the North and East, it is quite clear that the Union Bank was aiming at the expansion of business into these districts where its branch network had not yet been established. However, there might have been a slight difference between the bids made in the years of 1849/51 and of 1856/57. The years of 1849/51, when the Union Bank made three bids, witnessed cheap money, during which the Bank of England rate stood at $2\frac{1}{2}$ to 3% and the surplus funds of the Union Bank accumulated, probably in common with other Scottish banks. Therefore, the motive of amalgamation might be to place their funds more profitably in the North where the economy was obviously developing. In contrast, the Bank of England rate was fairly high in the years of 1856/57, when another three bids were offered, standing at 7% in November 1856. The motive might have been to increase their resources. Anyway, as R.S. Rait argued,¹ the Union Bank established its business in the North and East, not as an invader but as "one of the most influential and prosperous banks in Scotland."

Although two thirds of the take-over bids were unsuccessful, there was no doubt, except for that one case of the Perth Bank in 1849, that the four banks were very anxious to make their business over to the Union Bank. Indeed, the case of the Dundee Bank was destroyed by the objection of only two partners because its contract stipulated that an amalgamation with any other bank should be effected only with 100 per cent approval of the partners.² Their willingness to sell their business was certainly due to the fact that the economy outgrew their ability. Even the joint-stock, and largest of the four in terms of number of shareholders, the Caledonian had only a small capital of a little more than 10% of that of the Union Bank. It could be argued that even the joint-stock bank, if based on only a small amount of capital, was not able to survive, or at least could not make progress in, the growing and fluctuating economy.

The Union Bank developed its business in all respects between 1848, a year before the take-over of the Aberdeen Bank, and 1858,

1. R.S. Rait, 1930, p.263.

2. C.W. Munn, 1981, p.97.

a year after that of the Perth Bank; total liabilities grew by 142%, deposits by 168%, advances by 157% and investments by 277%. But how far the growth was due to the amalgamations is not really clear because the Bank itself was making rapid strides in the same period. However, one important development definitely resulted from the amalgamations, that is, the wide network of 28 branches in the North and East. It can be argued that the business of the Union Bank for the first time covered the whole country in this period. The creation of branches in the North and East was particularly necessary for gathering deposits. Indeed, if the Perth Bank, whose deposits were £0.6m, had not merged with the Union Bank, the deposits might have decreased in the course of the 1857 crisis because the amount of deposits of the Bank increased only by £0.13m between April 1857 and April 1858, and a tremendous amount of money flow from the North and East to the West certainly resulted from these amalgamations.¹

5

THE CRISES OF 1847 and 1857

There were two major crises between 1844 and 1858. The 1847 crisis damaged the business of the Western Bank and the Edinburgh & Glasgow Bank, both of which had to ask the Bank of England for assistance, and also effectively terminated the operation of exchange companies. Other Scottish banks did not suffer from such heavy losses. The following decade witnessed the rapid growth of Scottish banking, which primarily resulted from the energetic business of the Glasgow banks, and ended in the disaster of 1857, in which the Western Bank finally closed its doors, the City of Glasgow Bank temporarily stopped payment and the quasi-Glasgow-based Edinburgh & Glasgow Bank was fatally damaged. What happened to the Union Bank of Scotland? Is it right to say with R.S. Rait that "the storm was safely and even brilliantly weathered"?² If this is correct, it should then be queried - what caused "the storm" and how "brilliantly" did the directors manage to survive it?

1. See chapter 3.3.

2. R.S. Rait, 1930, p.292.

1. The 1847 Crisis

A repercussion of the crisis was felt in May 1847 when deputations of English bankers met the Chancellor of the Exchequer to urge him to suspend the Bank Act of 1844. Also in Scotland, a certain anxiety must have been spreading. The directors of the Union Bank began to examine the accounts of doubtful borrowers, making a list as table 2.10 sets out. The concern of the directors turned out to be justified. In September 1847, J. & A. Denny (no. 12 in table 2.10, grain merchants, Glasgow) failed, owing the

Table 2.10

Doubtful Borrowers in 1847

<u>Borrower</u>	<u>Debts</u>
1. H. Taylor & Son	£8,880
2. R. Scott & Son	12,520
3. M. Wotherspoon	2,115
4. J. Miller	1,500
5. A. Miller & Co.	7,600
6. J. Lamb	2,345
7. Anderson & Halden	2,720
8. E.T. Bald & Co.	2,625
9. R.A.C. Currie	7,187
10. R. Cowan	15,875
11. J. Currie	8,071
12. J. & A. Denny	75,640
13. D. Lamb & Co.	13,960
14. R. Neil & Co.	2,781
Total	<u>£163,819</u>

Source: U.B.M. Scroll Book, 21/5/1847.

Union Bank a large debt which was fortunately covered by security.¹ There followed failures of at least six firms, all the Bank's customers till January 1848. In one of these D. Lamb & Co. (no. 13 in table 2.10) were involved.²

1. U.B.M. Scroll Book, 22/9/1847.

2. Ibid., 29/9/1847, 17/11/1847, 5/1/1848.

There were apparently another three doubtful borrowers who worried the directors in the course of the 1847/48 crisis, that is, Lord Belhaven, J. & A. Dennistoun & Co. and Rowand, Dunlop & Co. Lord Belhaven, a large as well as troublesome borrower, failed to procure from the Bank a loan, which was to be applied to the repayment of his debt, in arrears, and eventually his business of coal mining went into liquidation in August 1847.¹ Dennistoun & Co., who were suspected to be in certain difficulties, asked the directors for an emergency retirement of their bills for £86,000 just before the crisis.² Rowand, Dunlop & Co., encountering difficulties, were allowed an overdraft to the extent of £30,000 which, however, could not stop the deterioration of their business, and they stopped payment in August 1848. Their debts were covered by the security of a large estate in Glasgow.

The total loss, which the Union Bank was incurred in the 1847 crisis, was £12,125 which was less than that sustained by the Kirkcaldy branch in 1850. There was no especial danger to the Union Bank, though the doubtful business with regard to Dennistoun's had already begun to worry the fellow directors.

2. The 1857 Crisis

In the nine years from 1848 to 1856, the Glasgow banks appeared stronger, especially in terms of number of branches, which increased from 136 in 1848 to 304 in 1856, nearly half of the total Scottish branches (see table 2.12). Among the Glasgow banks, the Clydesdale Bank added only one branch to its network. The large number of 164 branches was the creation of three banks; the Western created 38, the City of Glasgow 84 and the Union 42. In addition to their keen lending policy in the 1850's, their tremendous network of branches must have involved the three in heavy running costs and bad debts. Thus, the three banks, which were first, second and third in the ranking of number of branches (see table 2.7) just before the crisis, faced unprecedented hardship in the autumn of 1857.

1. U.B.M.E., 28/8/1847. See chapter 1.3(2).

2. See chapter 2.5(2).

At this moment, the Edinburgh banks took the opportunity to eliminate the risky as well as formidable Western Bank, as Professor R.H. Campbell has suggested¹ and as A. Blair, the treasurer of the Bank of Scotland, really intended, saying that,

"their system of business (the Western Bank) has been more like that of a pawn-broker than of a banker ... This can be effected by an arrangement to wind up the affairs of the Bank failing any other proposition securing the community from a further repetition of the same misconvenience and danger."²

The Edinburgh banks, led by Blair, thus, "organised attempt to overthrow"³ the Western Bank and naturally delayed taking any action during the crucial negotiations of the emergency loan asked by the Western Bank. Firstly on 17 October 1857, the Western Bank deputed one of the directors to ask the Bank of Scotland for assistance, no confirmation of which was, of course, given. The second delegation of the Western Bank was despatched on 21 October. The Bank of Scotland did not make any move, directing the delegation to seek assistance from the Bank of England on the ground that,

"the action of the Bank Charter Acts throws important cases like the present very much under the consideration of the Governor and the Bank of England."⁴

The opinion of the Bank of Scotland, effectively that of Blair, was confirmed by the Edinburgh banks.⁵

On 26 October when the Western Bank failed to obtain assistance from the Bank of England and Union Bank of London, the Edinburgh banks first resolved that,

"Upon consideration of the proposal of the Western Bank for an advance to that bank of £500,000, that the advance

1. R.H. Campbell, 1955.
2. B.S. (Edinburgh) Private & Confidential Letter Book, 20/10/1857, which was read by Blair before the court of directors.
3. U.B. (Edinburgh) Letter Book, Samuel Hay to Sir Adam Hay, 14/11/1857.
4. A. Blair's Memorandum, 22/10/1857, in; Anon., 1858, The Western Bank Failure and the Scottish Banking System, p.78.
5. Western Bank Minute of the Board of Directors, 23/10/1857, in; ibid., p.79.

be given in equal portions by the banks, coupled with the condition that the directors of the Western Bank shall dissolve and wind up the Company, and also that the whole advance shall be covered by a deposit of satisfactory commercial bills, not less than £750,000 and that the directors, or a sufficient number of the shareholders, to the satisfaction of the banks, undertake personal responsibility by bill or bond for the advance."¹

The clause of the compulsory winding-up, the intention of A. Blair but impossible under the contemporary laws, was eliminated by the effort of the managers of fellow Glasgow banks, but time ran out because the Times (London) disclosed the crucial point of the negotiations and, as a result, there was a sudden heavy run on the Western Bank, which closed its doors on Monday 9 November 1857. That most go-ahead Western Bank, condemned as "a pawn-broker" by Blair, thus, disappeared from the Scottish scene as indeed the Edinburgh banks intended.

During the crucial negotiations between the Western Bank and others, the Union Bank joined the Edinburgh banks and the manager signed under the headline of 'Minute of the Edinburgh banks.' Was the situation of the Union Bank safe and sound? The real situation of the Bank cannot be decided by the figures in its balance sheet which even showed increases from 1857 to 1858. "The ordeal of a run"² was to be a very real experience for the Union Bank.

The directors of the Union Bank first felt strain at the beginning of September 1857 when Carr, Josling & Co. (merchants, London) failed, leaving debts of £300,000 in which two of the Union Bank's customers were involved. One of the two applied for a relief credit which the directors refused. There followed a large number of failures which involved the Bank in bad debts to a very large extent; the Liverpool Borough Bank stopped payment on 27 October, Dennistoun & Co., who had large stakes in the Liverpool Bank, on 7 November, and the Northumberland & Durham District Bank on 25 November. The liabilities of Dennistoun & Co.

1. Minute of the Edinburgh banks, 26/10/1857, in; *ibid.*, p.79.

2. J. Stirling, 1865, p.32.

- a leading member of whose firm was Alexander Dennistoun who was a director of the Union Bank - were the largest among those merchants whose business had collapsed in the autumn of 1857, amounting to more than £2.1m,¹ though their stoppage was claimed by a contemporary writer to have been rather "artificial".²

Two days after the stoppage of Dennistoun & Co., the Union Bank experienced the heaviest run upon itself,³ and the directors instructed the manager,

"to transmit the London bills due in February and March to Messrs. Glyn & Co. with directions to discount the same and remit the proceeds in gold. Should there not be time to accomplish this tomorrow, £150,000 to be sent in gold. The manager was desired to forward various railway stocks, Consols &c - to London and suggest Glyn & Co. to convert the same into cash."⁴

Meanwhile the Bank strengthened the holding of gold at the Edinburgh office, £50,000 of which was brought up from London and Newcastle.⁵ However, the run on the Bank, particularly in the West, was increasing, and, thus, the Glasgow directors resolved to send a delegate to Edinburgh in order to raise a loan on local bills for £2,000,000. The resolution was objected to by the Edinburgh directors who were afraid that measures for securing such a large loan on local bills in Edinburgh could expose the Bank to greater risks. The last resort was London, and the delegation, composed of Sir Adam Hay, John Fergus, both Edinburgh directors, and G. Somervell, a Glasgow director, was dispatched to negotiate with the Bank of England. On returning from London, Somervell reported the successful result of negotiations and the directors seriously resolved that,

"(Somervell) conjunction with Sir Adam Hay and Fergus arranged through Glyn to discount direct with the Bank of England the bills taken up by him and those

1. C.W. Boase, 1867, pp.481-3.
2. Anon. (R.H. Patterson), 1864, The Economy of Capital, Blackwood's Edinburgh Magazine, p.316, R.H. Patterson, 1865, p.110.
3. U.B. (Edinburgh) Letter Book, J. Robertson to S. Hay, 9/11/1857.
4. U.B.M., 10/11/1857.
5. U.B.M.E., 2/11/1857.

transferred from Edinburgh/£2,000,000/. A cursory view of the financial position of the Bank with a prospective view of its affairs having been taken, it was considered and it appeared necessary that the business of the Bank should be diminished as much as possible without pressing too hard on its customers. With this view, it was resolved to look over the accounts of those parties having overdrawn accounts and large discounts, and to urge them to curtail their business as much as possible."¹

Glyn & Co., whose role was of vital importance in negotiating with the Bank of England, also provided £200,000 in cash.² In sharp contrast to the case of the Western Bank, the Union Bank was given generous support by its fellow Scottish banks; the Clydesdale Bank lent £35,000 in gold³ and three Edinburgh banks, the Bank of Scotland, the British Linen and the Commercial Bank, assisted by refraining from presenting Union Bank bills for £400,000 to Glyn & Co.⁴

In the meantime, serious reports were pouring into the head offices. On 11 November, the Edinburgh manager reported that,

"We have had a crowded day, but scarcely amounting to a run, though it was both the term and market day. We have had about £40,000 taken from us in gold and a good deal otherwise. We had to give £10,000 in gold to Dundee."⁵

The Greenock agent reported on the same day that the run was slighter than on the previous day, adding that,

"here and at our branches we still hold £8,500 of gold."⁶

The most remarkable report came from the Aberdeen cashier that,

1. U.B.M., 10/11/1857.
2. R. Fulford, 1953, p.162.
3. A. Alison, 1883, vol. 2, p.192.
4. U.B.(Edinburgh), Letter Book, S. Hay to Sir Adam Hay, 14/11/1857.
5. R.S. Rait, p.291.
6. Ibid., p.291.

"For two hours yesterday the crush was terrible, being met, however, in the way it was, it gradually died away ... The dead set was at first on us, the City of Glasgow Bank being the next door to us, but the run went over the whole banks, and was greater or less in proportion to the extent of their business, the North of Scotland Bank and ourselves bearing the greatest weight. Gold has been flowing back in some cases... Unless at one or two branches, things are equally good. The cause of these exceptions is one of the most scandalous things that probably ever took place ... The Great North of Scotland Railway Co. telegraphed, early on the morning of the panic here, to every Stationmaster on the line to Keith and on that to Turriff, 'not to take any of the notes of the Union Bank of Scotland or Western Bank'. The Officials at some places went into shops and inns and circulated this official order. You may conceive what we had, along with our agents, to contend against that trying day."¹

The reports indicate that the public was aware of the real situation of the Union Bank. Indeed, an offer of stock was burst upon the directors from 14 November 1857 when 268 shares were laid on the table of the boardroom and transferred to other shareholders at the prices between £82 and £100. The price of offered stock continuously dropped, touching the lowest price of £70 on 30 December 1857. The large scale offer of stock did not cease until the end of January 1858 when a sign of recovery in the market price could just be seen. Consequently, in three and half months from November 1857, more than 1,400 shares were offered.² The falling rate of the market price of the Union Bank share was 32% which was the largest among the surviving Scottish banks. Even the share of the tottering Edinburgh & Glasgow Bank was reduced in price only by 28%.

What really caused this trouble for the Union Bank ? The direct cause of runs upon the Union Bank was the closure of the

1. R.S. Rait, pp.291-2.

2. U.B. (Glasgow), Record of Transfers Registered.

Western Bank which gave rise to anxiety in the public over the banks, especially those based in Glasgow. This was no more than a general circumstance which would occur in a banking crisis. A particular and basic factor which involved the Union Bank in great difficulties was heavy commitment in one particular firm, that is, A. & J. Dennistoun & Co. whom we have already mentioned.

Earlier in 1846, the firm of Dennistoun & Co. was specially authorised to borrow £75 per share, which was three times larger than the ordinary amount of cash credit.¹ This was really the commencement of heavy involvement in this firm. A year after the authorisation of special credits, Dennistoun & Co. again asked the Bank for special treatment and the directors,

"agree to retire for Dennistoun £86,000 extra bills in London this month being the portion that should have been retired by the Borough Bank of Liverpool - a number of London bills due in June and July to be rediscounted by Messrs. Glyn & Co. if necessary, to fill at the account and Mr. Dennistoun to be requested to refrain from asking such a thing again."²

The only objection to this resolution was raised by the Edinburgh directors who strongly contended that,

"advances so extensive could not in future be made to them or any other individual house."³

None the less, a sentence "if possible" was afterwards added to the resolution of the Glasgow board. The equilibrium between the two boards was for the first time at stake.

The energetic business of Dennistoun & Co., which must have developed tremendously in the hectic years of the British economy during the 1850s, led the board of directors, of which A. Dennistoun himself was a member, to make an unreasonable resolution in 1853 that,

"they (Dennistoun & Co.) should have a fixed credit of £280,000 on security of Stock on condition that

1. U.B.M. Scroll Book, 5/1/1846.

2. Ibid., 5/5/1847.

3. U.B.M.E., 25/5/1847.

never less than £150,000 is drawn - at all events that usual cash credit rate of interest be charged on £150,000 - London acceptances up to £1,000,000 and when the transactions exceed that amount 1/8% can be charged on the excess."¹

The tremendous amount of credits for more than £1.2m to one firm was sanctioned at the general board of directors which the Edinburgh directors, of course, attended. The equilibrium between the two boards eventually lost. The advance of £1.2m. to one concern might have had an even worse result than the case of the Western Bank whose stoppage was caused by £1.2m credits to three firms.² The swollen business of Dennistoun & Co. undoubtedly became vulnerable to any small change in its trade. Indeed, ten days after the failure of the Liverpool Borough Bank, Dennistoun & Co. were forced to stop payment on account of a slight delay of remittance from America. The result was the difficulties in the autumn of 1857. Consequently, it could be argued that the real situation of the Union Bank was not very different from that of the collapsed Western Bank. Therefore, it could also be argued that, if the Western Bank should be blamed as "a pawn-broker", the Union Bank should be also. It should then be queried as to why and how the Union Bank could survive this critical situation.

The first question is why the Bank of England and the Edinburgh banks, both of which refused the plea of the Western Bank, helped out the Union Bank. There might be three reasons. Firstly, the third stoppage of a large joint-stock bank following the failure of the Western Bank and the temporary closure of the City of Glasgow Bank had to be prevented because the effect of such an incident would be far-reaching. Secondly, the Union Bank had had no particular experience which could have given rise to any hostility from the Edinburgh banks, as against the Western Bank which had been notorious for its risky business and aggressiveness, especially directed at the Edinburgh banks in price competition, from its outset. Moreover, the Union Bank was seemingly accepted as a member of the Edinburgh banks as was suggested by the fact that the manager of the Union Bank signed under the headline of

1. U.B.M.G.B., 19/4/1853.

2. S.G. Checkland, 1975, p.467.

the Edinburgh banks. Thirdly, the Union Bank had a reserve policy which made its appearance following a suggestion by the Edinburgh directors and which the collapsed Western Bank had not built. In these last two respects, the existence of the Edinburgh directors, that is, the three surviving partners of the late firm of Sir William Forbes & Co., was extremely important. The crucial negotiations with the Bank of England were obviously led by Sir Adam Hay who was a corner stone of the Edinburgh board as well as of the Union Bank as a whole.

The second question is whether the Union Bank had built in an element which could help itself. The branch network might provide a key. In terms of number of branches in 1856 (see table 2.7), the Union Bank ranked third, following the Western Bank and the City of Glasgow Bank. If we look into the patterns of the branch network of the Union Bank and the Western Bank, an absolute difference can be found, as table 2.11 sets out. Although the

Table 2.11

Pattern of Branch Network in the late 1850's.

	<u>Union Bank</u> (Dec. 1857)	<u>Western Bank</u> (Dec. 1856)
Strathclyde	28	51
Dumfries & Galloway	9	14
Borders	3	4
Lothian	3	9
Central	8	2
Fife	6	6
Tayside	16	8
Grampian	23	0
Highlands	1	0
Orkney	1	0
Shetland	1	0
Total	<u>99</u>	<u>94</u>

Source: Edinburgh Almanac, 1857, 1858.

Western Bank claimed to have the largest number of branches, 70% of their branches were located in the West and South of Scotland, primarily in the West. It had no branches further North than Tayside. The Western Bank was, thus, literally, the bank of the West. On the contrary, almost half of the Union Bank branches were situated in the North and East, especially in the Grampian area. The branch network of the Union Bank was, thus, well balanced between the West and the North and East, having a character of national coverage with its shareholders distributed all over the country. This pattern of branch network might help the Union Bank in two ways. In the first place, the Union Bank could transfer its resources in the North and East to the West where the heavy runs were occurring. This kind of transfer was made, particularly between the head offices, that is, from Edinburgh to Glasgow. In the second place, the national coverage of business might help to encourage the Bank of England in giving assistance to the Union Bank, because a collapse of the bank on such a scale would have had a disastrous effect on the whole country. Indeed, the situation of the Union Bank in the autumn of 1857 roused fears in the Chancellor.¹ In building up the branch network on this pattern, the take-overs of the Aberdeen and Perth Bank, without whose branch network the Union Bank might have succumbed to the storm, were invaluable.

The 1857 disaster had a great effect on Glasgow banking as table 2.12 clearly shows. The dropping out of the large as well as aggressive Western Bank itself caused a great diminution of the Glasgow share in Scottish banking and a loss of Glasgow initiative. Thus, in terms of capital and number of branches, Glasgow-controlled banking was overtaken by its Edinburgh counterpart. Even including the Edinburgh & Glasgow Bank, the Glasgow share in the total Scottish banking capital became reduced to a little more than one third. As far as Glasgow-Edinburgh rivalry is concerned, Glasgow-controlled banking

1. S.G. Checkland, 1975, p.468.

Table 2.12

Dimensions of Glasgow, Edinburgh and North & East Based Banks,
1848, 1856 and 1857

	<u>1848</u>		<u>1856</u>		<u>1857</u>	
<u>Capital</u>						
Glasgow	£5,515,830	46.3%	£5,307,380	45.3%	£3,807,380	37.6%
Edinburgh	5,100,000	42.8	5,600,000	47.8	5,600,000	55.3
North & East	1,296,300	10.9	818,890	6.9	718,840	7.1
Total	£11,912,130	100.0%	£11,726,270	100.0%	£10,126,220	100.0%
<u>Partners</u>						
Glasgow	5,772	40.5%	6,439	46.0%	(Not Available)	
Edinburgh	3,816	26.8	3,698	26.4		
North & East	4,647	32.7	3,854	27.6		
Total	14,235	100.0%	13,991	100.0%		
<u>Branches</u>						
Glasgow	136	35.6%	304	49.4	238	39.6%
Edinburgh	165	43.2	228	37.1	276	45.8
North & East	81	21.2	83	13.5	88	14.6
Total	382	100.0%	615	100.0%	602	100.0%

Notes: 1. Date as in December each year.

2. Edinburgh & Glasgow Bank included in the Glasgow banks.

Source: Edinburgh Almanac, 1849, 1857, 1858.

retreated substantially. In this climate of Glasgow banking, the Union Bank, which had narrowly escaped disaster, began to make a great change in its conduct of management.

CHAPTER 3

THE UNION BANK OF SCOTLAND AT ITS ZENITH, 1858 - 1865

The years from 1858 to 1865 were another period of increasing prosperity for the Union Bank of Scotland. None the less, in the aftermath of the 1857 crisis and two successive failures of large borrowers in the early 1860's, the Union Bank was forced to make a great change in its conduct of management and the result was the appointment of Charles Gairdner, a young accountant, as joint manager. When the great change in its policy was going on, the Union Bank was approaching its zenith.

1

THE APPOINTMENT OF CHARLES GAIRDNER¹ AS JOINT MANAGER IN 1862

In the aftermath of the 1857 crisis, the Union Bank was still suffering from bad debts which were caused by two large customers in Aberdeen and Glasgow.

Blackie & Son, who were mentioned by the directors in their annual report as "a firm of such high repute"² in Aberdeen, failed in 1860. Blackie's financial situation had already caused worry for the directors in April 1859 when the firm violated the agreement made with the Bank. The board gave them a warning through the Aberdeen cashier, stating that,

"With reference to the Aberdeen minutes of 14th, the manager was desired to write to Mr. Wyllie (Aberdeen cashier) to express the regret of the directors that Messrs. Blackie had violated the arrangement made with them under which they undertook not to overdraw their operative account and to inform him that while they

1. The career &c will be discussed in chapter 5.5.
2. U.B. Annual Report, 9/5/1861. Despite the directors' words, it would be unwise to say that this firm was that of 'Blackie & Son, publishers at Glasgow, 'whose main bank was the Clydesdale. So far no evidence is available about the business of the Aberdeen firm.

approve of the plan adopted for obtaining repayment, he is to intimate Messrs. Blackie that no overdraft will be again permitted."¹

In spite of this precaution, the Bank could not escape the bad debts of Blackie & Son because of whom the Bank incurred a loss of £30,638. The loss debited the reserve in two successive years.

The situation of the Monkland Iron & Steel Co. was also disturbing the directors nearly three years before the failure. In the autumn of 1858, when the usual investigation on cash and overdrawn accounts at the Glasgow head office was made, they instructed the manager,

"to get executed whatever deeds the law agent may consider necessary for keeping the Bank's security in order in consequence of the death of Mr. Murray (general manager of the Company)."²

At the same time the directors gave an instruction to the accountant to draw up a report which would investigate "the state of Monkland's affairs."³ In spite of these steps, the failure of Monkland Co. in July 1861 resulted in another great loss for the Union Bank.

These two successive failures of large borrowers, following the difficulties in 1857, eventually led the directors to have doubts about the whole conduct of their business and to make a serious investigation of all accounts, which was carried out from the end of 1861 to the spring of 1862.⁴ In carrying out the investigation, the directors did not entrust the Glasgow manager, J. Robertson, with the duty and appointed an outsider, Charles Gairdner, a chartered accountant and one of the liquidators of the Western Bank of Scotland. He revealed that the Union Bank was in possession of bad debts for £140,000 in all, including the loss sustained from the failure of the Monkland Co.⁵ Why was the manager omitted ?

1. U.B.M., 20/4/1859.

2. Ibid., 10/11/1858.

3. Ibid., 10/11/1858.

4. U.B. Annual Report, 8/5/1862.

5. Ibid., 8/5/1862.

According to the annual report, the circumstances of Gairdner's appointment were that,

"The extended business of the Bank has for some time forced upon the attention of the directors the necessity of increasing the staff of the establishment at Glasgow; and while the subject was under consideration, Mr. Robertson the manager of the Bank having been strongly recommended by his medical advisers to abstain for a time from business, the directors were induced to make such arrangements as would relieve him of a portion of his duties. This they have done by the appointment of Mr. Charles Gairdner to be joint manager along with Mr. Robertson."¹

Two reasons were given about the appointment of Gairdner. The one was "the extended business" which was not borne out by the figures in the balance sheets. In all terms of total liabilities, deposits, advance and profits, the business of the Bank considerably diminished from 1861 to 1862 (see table 3.10). The second reason, "illness of the manager", must have been a diplomatic illness because Robertson was still active in his new dock company business after the discharge of his managership.² From the two unsatisfactory explanations given in the report, with regard to his omission from the inspection and the reduction of his salary from £2,000 to £1,750 in 1863,³ we may infer that Robertson, along with the secretary, was blamed for the accumulation of bad debts and was nearly 'dismissed'.

However, the change of the Glasgow manager was no more than the visible peak of an ice-berg. In the aftermath of the 1857 crisis, the Edinburgh directors retained their authority over the Glasgow directors whose expansionist policy was clearly accountable for the difficulties. In this situation, the Edinburgh directors put forward their opinion strongly in two respects. In the first place, they were not satisfied with the system of inspection of branches hitherto executed and sent their resolution to their Glasgow counterparts earlier in August 1858 that,

1. U.B. Annual Report, 8/5/1862.
2. U.B.M., 2/1/1867, 9/1/1867.
3. U.B. (Glasgow), MSS, n.d.

"The subject of inspecting the branches under this department having been mentioned, it was suggested that with a view to the introduction of a uniform and systematic mode of inspecting and reporting upon all the branches, it might be expedient that the inspector for the Glasgow department with his assistant should receive charge of the whole It was resolved to bring this matter before the general board."¹

Soon after their resolution, the Edinburgh directors independently appointed an inspector of book-keeping at the Edinburgh office.² However, their opinion in favour of a "uniform and systematic mode of" inspection did not immediately result in any decision and was soon followed by the two successive failures of Blackie & Son and the Monkland Co. Thus, it is construed that the Edinburgh directors, especially Sir Adam Hay and D. Anderson both of whom were the partners of the late firm of Sir William Forbes & Co., disciplined their Glasgow counterparts and demanded the change of the Glasgow manager on whom strict inspection was so essentially dependent.

In the second place, it was the Edinburgh directors who from time to time raised objections to the large credits of Dennistoun & Co. who were still causing trouble in the course of repaying their debts to the Bank. In order to effect the repayment, Dennistoun & Co. frequently proposed the sale of their large amount of Union Bank stock and this was rejected by the directors.³ Eventually in August 1860, the Dennistouns were specially requested to attend the Edinburgh committee, at which Sir Adam Hay, D. Anderson and a Glasgow director, Colin Campbell, were present. As the minute recorded,

"A conversation took place with Messrs. A. & J. Dennistoun/ who had come to attend this meeting/respecting their obligations to the Bank. They mentioned that they had

1. U.B.M.E., 9/8/1858. See also 7/2/1859.
2. U.B. (Edinburgh), MSS, 6/12/1858.
3. U.B.M., 4/7/1860, 11/7/1860, 25/7/1860.

looked to the sale of shares of the Bank to meet Messrs. J. Dennistoun & Co.'s note for £18,196 9s. 3d. due on the 19th instant, but since receipt of the late letters from the manager (Edinburgh) they had to consider other modes of doings and proposed to transfer to the Bank mortgage notes due at periods of three and five years on estate sold at New Orleans, as security for the ultimate payment of said note. The directors decline accepting this security ... Messrs. Dennistouns intimated their determination to realise the mill property, the proceeds to be applied to the instalment notes of Messrs. J. Dennistoun & Co., Mr. John D (sic) undertook to realise the property of Alex. Fletcher & Co. either by sale of the mill or otherwise in all 1861 and to extinguish the debt due to the Bank on the said amount. Messrs. D. (sic) farther undertook to place 500 shares of the Bank on the market at once to be sold as opportunities offer but in the mode least calculated to injure their or the Bank's interest."¹

Despite allowance for the sale of the Bank stock and the promise to "extinguish the debt", the repayment was not yet effected in 1861. Besides their own debts, another firm, A. Fletcher & Co. (flax spinners, Glasgow), in which John Dennistoun was a partner, was asking the Bank for credits, becoming one of the large borrowers.² In order to get rid of Dennistoun financing, an extraordinary step, say, an appointment of a new manager of strong personality, was essential.

Charles Gairdner was, thus, apparently the choice of the Edinburgh directors, who were doing business with Gairdner as stock broker,³ and they must have appreciated his ability. Indeed, their selection proved to be right. Against the claim of the senior manager, Robertson, that the outsider would not be able to investigate the bank business,⁴ Gairdner discovered a large amount of bad debts. The branch inspection was systematically and ener-

1. U.B.M.E., 13/8/1860.

2. U.B.M., 9/11/1859 and passim.

3. U.B. (Edinburgh), MSS, 29/10/1857.

4. Select Committee of 1858, reproduced in; Anon., 1858, Western Bank Failure and the Scottish Banking System, p.52.

getically executed as will soon be discussed later. The Bank also saw a prospect of getting rid of the bad debts of Dennistoun & Co. in October 1863 when Gairdner reported that,

"in reference to A. & J. Dennistoun joint bill of £199,500 now reduced to £184,739 would come to an end in January."¹

Charles Gairdner started his joint managership with every appearance of success. His salary for the first year was £1,750 which was equal to that of the senior manager. Immediately in the wake of his appointment, Gairdner recommended, as a new Glasgow secretary, James Syme, who was an agent of the Bank of Scotland and he became the first assistant manager of the Union Bank in 1865 when Gairdner took over the sole managership. There was no special vote of thanks for the services of J. Robertson and the out-going secretary. The appointment of Gairdner was a major change in the management of the Union Bank which then began to follow a careful course under his management.

2

BUSINESS IN SEARCH FOR STABILITY

1. Canniness in Lending

Cash credits and discounts remained the main methods of advances of the Union Bank. In this period, however, discounts constantly exceeded cash credits and again absolutely correlated with the growth of total liabilities as table 3.1 shows. Discounts were really a major factor in the growth of the Union Bank.

1. U.B.M., 21/10/1863.

Table 3.1Methods of Advances, 1859 - 1865

	<u>Credit Accounts/ Overdrafts</u>		<u>Discounts</u>		<u>Growth Rate of Liabilities:1859:100</u>
1859	£2,865,405	46%	£3,312,421	54%	100
60	2,881,786	43	3,773,084	57	105
61	3,037,039	45	3,728,607	55	102
62	2,772,309	45	3,374,845	55	99
63	2,526,720	42	3,557,576	58	100
64	3,074,167	46	3,619,780	54	105
65	3,121,894	44	4,010,252	56	111
Average		44%		56%	

Notes: 1. Date as in April each year.
 2. %; proportion between the two.

Sources: U.B.A.A.B.

Along with the increase in transactions of bills of exchange, the Union Bank introduced a curious method into the system, which was termed 'marginal credit'. This method made its first appearance in the end of 1863 as the minute recorded that,

"It was agreed to issue to Messrs. Finlay, Campbell & Co., merchants, London, for negotiation in Melbourne by Messrs. McCulloch, Sellars & Co., marginal credit bills for £60,000, £10,000 of which have now been issued, and a like sum to be issued during each of the ensuing five months; all against six promissory notes to the Bank, payable on demand, amounting to £60,000, by Finlay, Campbell & Co., and L. Inglis & Co. together with letter from the former firm explanatory of the reason for which they have been granted."¹

This unusual term 'marginal' was,

1. U.B.M., 30/12/1863.

"so named because on the margin of the actual bill form to be used is a letter detailing the terms of drawing and acceptance, and authorising the person to whom it is addressed 'to draw the annexed bill ...' This letter must not be detached from the bill portion of the document."¹

The marginal credit was expected by the Bank to help to avoid the acceptance of accommodation, or fictitious, bills which had undoubtedly swollen in the 1850's. Indeed, it was based on the real bill doctrine of Adam Smith and was also a forerunner of documentary bills.

In operating this method, the Bank was careful to demand a large guarantee deposit as that,

"First: promissory notes ... £85,000.

Second: deposit in cash £21,250 ... being 25% on the amount of credit. $\frac{1}{2}\%$ commission to be paid on all drafts against said credit, it being in the option of the Bank to put an end to the credit at any time on giving 12 months notice."²

Marginal credit first made its appearance in the balance sheet of 1864, the amount of which was, however, only less than 1.2% of the total liabilities. Judging from the date of its appearance, one can surmise that Charles Gairdner was the initiator. He also introduced in 1864 a systematic 'opinion book' which recorded both outgoing and incoming correspondence regarding credit-worthiness of customers.³ Furthermore, he himself put down in his confidential note-book detailed informations on his customers. He was a very careful banker. Under his managership, the Union Bank apparently shifted its lending policy to canniness.

It is difficult, or almost impossible, to establish an exact distribution of the Bank's sectoral lending. However, if we ignore small advances, say, less than £10,000, there emerge two

1. Metropolitan College, n.d., p.14. See also W. Thomson and R.W. Jones, 1939, p.358.
2. U.B.M., 11/1/1865.
3. U.B. (Glasgow), Opinion Books.

sectors which the Union Bank seemingly preferred, that is, trade and railway. Two thirds of the large advances exceeding £10,000 were given to the two sectors. The iron and steel sector, which was one of the two favourite borrowers up to 1858, dropped out of the top rankings. In the sector of trade, there were well-known as well as enterprising merchants such as James Morton, John Pender, James Scott and James Nicol Fleming, all of whom were allowed overdrafts and marginal credits. The firm of Pender, Scott & Fleming obtained a large credit of £100,000 on the security of iron warrants, which was the largest lump sum of credit sanctioned to this sector.¹ This authorisation also suggests that iron warrants had become good securities for a bank loan.² J. Morton was, at this moment, striving to create a market in Scotland for a whole range of colonial products, the business of which was afterwards incorporated into the New Zealand & Australia Land Co.³ Notably, all of these large borrowers were also customers of the City of Glasgow Bank in which J.N. Fleming was even a director. However, the Union Bank did not deepen its involvement further in any one particular firm of this sector. The lesson of Dennistoun financing was certainly learnt.

As in the previous period, the Union Bank took a different attitude towards the Scottish railway companies and their English, Irish and Welsh counterparts. The Scottish railways continued to be ordinary customers and were allowed advances mainly on overdrafts and promissory notes. In the circumstances of increasing competition among the Scottish railways, exemplified by the North British and Caledonian Railways,⁴ cartel lending was continued in order to distribute risks. In October 1860 when the North British took a large loan of £120,000, the Union Bank lent one third and the rest was supplied by the Royal and National Banks.⁵ From time to time, the Union Bank supplied funds to railway companies to enable them "to pay their dividend warrants,"⁶ relieving them

1. U.B.M., 7/10/1863.

2. R.H. Campbell, 1955 (a), p.221.

3. D.S. MacMillan, 1967 (a), pp.340-1.

4. R.H. Patterson, 1868, p.571.

5. U.B.M.E., 22/10/1860, 29/10/1860.

6. U.B.M., 23/3/1864.

of lack of short-term liquidities. The number of customers became fewer because of the amalgamations between them and the principal borrowers were three, - the North British, Glasgow & South Western and City of Glasgow Union Railways.

The English, Irish and Welsh railway financing was almost entirely made by transfers of Consols, which were used by them

Table 3.2

The Transfer of Consols, 1862 - 1865

	<u>Amount</u>	<u>Rate of Interest</u>	<u>Length</u>	<u>Remark</u>
December 1862	£1,229,452	-	-	English contractors
January 1863	140,000	3%	-	1 English railway
December 1863	265,000	-	6m	1 English and 1 Irish railway
January 1864	439,480	4-5%	-	same
July 1864	265,000	-	-	continuation of Dec 1863
January 1865	1,453,280	4%	6m	28 English, 2 Welsh and 1 sewage co.
January 1865	126,160	-	-	5 Scottish railways

Sources: U.B.M., 17/12/1862, 13/1/1863, 2, 6, 23/12/1863, 22/1/1864, 27/7/1864, 11, 18/1/1865. U.B.P.J.

as Parliamentary deposits. The terms of the loans of Consols were usually six months at 3 to 5% as table 3.2 sets out. Loans of Consols were said to be allowed on a very favourable basis because the Bank of England rate was standing at 5 to 9% in this period, but the Union Bank, too, made use of Consols which were increasing in its portfolio in this period. It is not clear whether or not the English banks did this business on behalf of their railway customers.

2. Consols as the Main Outlet for Investments

In the balance sheets attached to the annual reports, it is not revealed what the real portfolio of the Bank investments was. They only show the aggregate sum of various investments, excluding

those made in the Bank premises. However, fortunately, the annual abstract balance, from which the balance sheet was produced, reveals the real situation of the investments in this period and this is set out in table 3.3.

Table 3.3

Main Investments, 1859 - 1865

	<u>Government</u> <u>Securities</u>	(a)	(b)	<u>Railway</u> <u>Secur-</u> <u>ities</u>	(a)	(b)	<u>Union</u> <u>Bank</u> <u>Stock</u>	(a)	(b)
1859	£914,914	77.8%	10.3%	£86,308	7.3%	1.0%	£213,926	18.2% ⁴	2.4%
60	546,910	70.5	6.0	55,220	7.1	0.6	14,426	1.9	0.2
61	837,634	79.5	9.2	39,440	4.2	0.4	14,109	1.3	0.2
62	1,042,532	85.5	11.9	17,997	1.5	0.2	14,109	1.2	0.2
63	1,176,867	74.9	13.2	5,795	0.4	0.1	14,109	0.9	0.2
64	1,064,065	76.5	11.4	-	-	-	16,618	1.2	0.2
65	1,040,023	79.0	10.6	-	-	-	16,618	1.3	0.2

- Notes: 1. Date; as in April each year.
 2. (a); % of total investments.
 3. (b); % of total liabilities.
 4. The aggregate sum of government securities, railway securities and the Union Bank stock exceeds the total amount of investments (see table 3.10). The holding of its own stock was clearly excluded from the item of investments in the balance sheet of 1859.

Source: U.B.A.A.B. U.B. Annual Reports.

Excluding 1859 when the Union Bank held an extraordinary amount of its own stock to support its market price from the end of 1857 to 1858, the average proportion of the aggregate sum of the three main investments in the whole portfolio was over 80%. Among them, the government securities, primarily Consols, were overwhelmingly large, reaching more than 77% on the average of the total in this period. Consols became the main item of investments, and the Union Bank certainly established the idea of regarding Consols as a part of the reserve in this period.

On the other end of the scale fell railway investments which declined to below 1% in 1863 and disappeared thereafter. There is evidence that the Bank was still willing to make railway

investments in 1862 when the Glasgow secretary sent letters to five English railway companies saying that,

"We would be glad to know if you are open at present to borrow on debentures for one year, and if so, at what rate ?"¹

The replies and results are not known. The directors were searching for outlets for their surplus funds during one of the most notable cheap money periods when the Bank of England rate was reduced to only 2% in the middle of 1862. Nevertheless, generally, railway investments ceased to be a main business of the Union Bank in this period.

It is totally unknown what item of the balance sheet of 1859 included a large amount of the Bank stock worth more than £200,000 and how the directors disposed of it in only one year. This obscurity might arouse a suspicion of 'window-dressing'. There remains no evidence which would enable us to investigate the point. Anyhow, the Union Bank ceased to buy its own stock, at least on a large scale, in the middle of the 1860's.

3. The Scheme of a 'Joint London Office'

The network of correspondents of the Union Bank was well developed by the end of the 1850's as table 3.4 shows. Along the west coast of the British Isles, the Bank developed relationships with correspondents through Carlisle and Whitehaven to Lancashire, Yorkshire, the Midlands and Nottinghamshire. Beyond the Irish Sea, there were two correspondents, whereas along the east coast, only one firm of correspondents was operating in Newcastle, to the south of which the Union Bank did not establish correspondents. Although the pattern of the network of correspondents was basically similar to that of the 1830's,² the development into the industrial Lancashire, Yorkshire and Midlands made excellent progress, which must have been due to the increasing business of the Bank customers with these districts.

1. U.B.S.B., 2/7/1862.

2. See chapter 1.2(2).

Table 3.4Correspondents in the British Isles and on the Continent, 1858 - 1865

- | | |
|-----------------------------------------|---------------------------------------|
| 1. Carlisle City & District Bank. | 11. Birmingham Bkg Co. |
| 2. Whitehaven Joint Stock Bkg.Co. | 12. Warwick & Leamington Bkg. Co. |
| 3. Lambton & Co., Newcastle. | 13. Provincial Bank of Ireland. |
| 4. Manchester & Liverpool District Bank | 14. Belfast Bkg.Co. |
| 5. Manchester & Salford Bank. | 15. Glyn & Co., London. |
| 6. Huddersfield Bkg.Co. | 16. Coutts & Co., London. |
| 7. Yorkshire Bkg.Co. | 17. Smith, Payne & Smith, London. |
| 8. Beckett & Co., Leeds. | 18. National Bank of England, London. |
| 9. Sheffield Bkg.Co. | 19. Overend, Gurney & Co., London. |
| 10. Moore & Robinson, Nottingham. | 20. Rothschild & Son, Paris. |

Sources: U.B.A.A.B. Edinburgh Almanac, 1858.

Further progress was seen in the increase of the number of London correspondents, which were composed of three private banking houses, one joint-stock bank and one discount house. The amount of London accounts in the annual balance was negligible - around 4% of the total assets in this period - but the total turnover of their business was substantial. For example, Glyn & Co., the largest London correspondents of the Union Bank, turned over more than £6.5m in their operation in 1862.¹ The London business became the most important inter-bank operation of the Union Bank probably in common with other Scottish banks. Indeed, the Glasgow manager went frequently to London, sometimes twice a month.²

From these circumstances, the second joint scheme of the Scottish banks emerged. In July 1864, two months after the opening of the London office by the National Bank of Scotland, three banks, that is, the Bank of Scotland, Clydesdale and Union Banks, joined forces to try to establish their joint office in London. There was anxiety that the English non-issuing banks would oppose such an institution, which was certainly expected to be strong in gathering deposits and competing with them. Indeed, they had

1. U.B.A.A.B., -/4/1862.

2. U.B. (Edinburgh), MSS, 20/5/1862, 30/5/1862.

already objected to the office of the note-issuing National Bank of Scotland opening in London. Accordingly, the plan was carefully conducted under the initiative of the Bank of Scotland, which had considered a London office earlier in 1832,¹ as the minute of the board of the Bank of Scotland explained that,

"The treasurer informed the court that some communication had taken place between himself and the managers of the Union and Clydesdale Banks upon the subject of the establishment in London of a Joint Stock Bank with limited liability ... The court accordingly authorised the treasurer to continue his communication with the managers of the Union and Clydesdale Banks and to enter with them into negotiations with the private banking house referred to, or with any other of high respectability and importance ... The court were of opinion that it might be desirable to embrace another Scottish bank in the undertakings."²

The private bank in London was Glyn & Co., with whom the three Scottish banks had large business.³ Following the suggestion of the directors of the Bank of Scotland, another Scottish bank, the British Linen, which was also doing business with Glyn & Co., was embraced.

The detailed prospectus of the scheme containing sixteen clauses was drawn up by the end of 1865. The title of a new bank was to be designated "Glyn's Bank".⁴ The first clause of the prospectus stipulated that the capital was to be £3 million in shares of £100 of which £20 was to be paid. 20,000 shares were to be allotted equally among the four Scottish banks and 5,000 to Glyn & Co. The £0.6m paid-up capital was not small, compared to £1m paid-up capital of the biggest joint-stock counterparts, the London & Westminster and London Joint Stock

1. C.A. Malcolm, 1945, p.107.

2. B.S. Minute of the Board of Directors, 19/7/1864.

3. B.S. (Edinburgh), MSS, C. Gairdner to D. Davidson, 20/1/1866.

4. B.S. (Edinburgh), MSS, 7/3/1866, See also, "Scheme" attached to U.B.M., 3/1/1866.

Banks, and, therefore, it could have a substantial effect on the London money market. There was a certain conflict among the partners of Glyn & Co., one of whom opposed the conversion of their firm into a joint-stock concern,¹ but an Anglo-Scottish bank was about to open its doors in the summer of 1866. The initiative of the Scottish banks intent on challenging the English joint-stock banks on their home ground in London was, however, effectively stopped by the deepening commercial crisis of 1866 which engulfed Overend, Gurney & Co. This was the second abortive joint scheme of the Scottish banks.²

4. Cartel on Interest Rates

Although co-operation outside Scotland had been unsuccessful, the Scottish cartel on interest rates definitely made its appearance, following the earlier examples of Irish banking in 1839.³ In making changes in various rates of interest, the Scottish managers had already co-operated from the early 1840's,⁴ trying to reach agreements which were frequently not adhered to because of the existence of severe competition. The most notorious offender was the Western Bank whose failure in 1857, therefore, made it easier for the surviving Scottish banks to agree on the matter. In December 1860, only three years after the disappearance of the Western Bank, a meeting of the managers resolved to follow automatically changes in the Bank of England rate and jointly announced that,

"In order to obviate an inconvenience which has been hitherto felt, the Banks have thought it necessary to issue following instructions as to the course to be pursued at their Head Offices and Branches, on the occasion of the Bank of England making a change in their Discount Rates, and I have to request your strict adherence thereto;

1. R. Fulford, 1953, pp.193-6.
2. See chapter 2.2(2).
3. C.W. Munn, working paper.
4. S.G. Checkland, 1975, p.486.

I. ON THE OCCASION OF A RISE IN THE BANK OF ENGLAND RATES -
Immediately on the intelligence reaching you, either by public telegram or otherwise, you will make a corresponding advance in your rates for all kinds of Bills, provided such change shall not have the effect of raising your Minimum Rate above 8%. And you will continue to charge the increased rates until you receive instructions from us on the subject.

II. ON THE OCCASION OF A FALL IN THE BANK OF ENGLAND RATES -
Immediately on the intelligence reaching you as above, you will make a corresponding reduction in your rates for all kinds of Bills, provided such change shall not have the effect of reducing your Minimum Rate below 4%. You will make no change until you receive instructions from us."¹

In general, following this resolution, the Scottish banks allowed the same rates on deposits and charged the same on advances, though there were occasional exceptions.² Under agreements, bills were grouped, in terms of length, into three categories; three months to run, four months and over four months. The description of bills, whether drawn on London or other towns, was first not taken into consideration until September 1861 when a favourable difference of $\frac{1}{2}\%$ was given to the London bills.³ Overdrafts were charged at $\frac{1}{2}\%$ higher than usual in credit accounts.

Regarding deposits, the Scottish banks were allowing a uniform rate on all kinds of deposits by November 1863 when the following circular was issued,

"Any holder of a Current Account, on giving notice, to have the option of receiving, from the date of such notice, Interest at the Deposit Receipt rate, calculated monthly on the smallest sum at his credit at the close of any day, during each calendar month."⁴

1. U.B.G.C., 21/12/1860.
2. Ibid., passim.
3. Ibid., 20/9/1861.
4. Ibid., 6/11/1863.

The difference between rates on deposit receipts and current accounts was usually from $\frac{1}{2}$ to 1% though this from time to time disappeared.¹ The Scottish banks conjointly devised a detailed method of allowing different rates on the short and long term deposits which was not yet deliberately adopted by the English counterparts.² This system was undoubtedly instrumental in gathering a large amount of deposits, as a contemporary economist argued.³ The agreement on rates resulted in the disappearance of vigorous price competition, at least, from the surface of Scottish banking.

5. The Consolidation of the Branch Network

In 1858, the Union Bank had 99 branches. There were no increases to this number between 1858 and 1865.⁴ The directors obviously became disinclined to expand the branch network and their attitude was articulated by Charles Gairdner who expressed his policy to the Edinburgh manager that,

"I think the feeling of our directors here is not in favour of extending our branches further unless it be necessary for the protection of what we already have. My own feeling is certainly in this character."⁵

From this point of view, he also objected to a proposed amalgamation with the Caledonian Bank which would have resulted in an expansion of the branch network.⁶ Indeed, the commencement of Gairdner's management marked the end of the amalgamation movement by which the Union Bank had developed.

Before May 1862, the inspection of branches was, of course, regularly carried out, but no special inspections of any larger scale than usual were executed. The direct supervision of branches was, seemingly, almost entirely left in the hands of

1. U.B.G.C., passim.

2. S.E. Thomas, 1934, p.555.

3. R.H. Patterson, 1865, p.82.

4. U.B. (Glasgow), General Quarterly Balance Branch Accounts, 1/4/1865.

5. U.B. (Edinburgh), MSS, C. Gairdner to S. Hay, 22/12/1864.

6. Ibid., 22/12/1864.

the inspectors at the Glasgow head office, and local committees at Aberdeen and Perth and their cashiers. When an irregularity was found in a certain branch under the charge of the Perth office, a special report was requested by the directors who, however, took no action.¹ The directors might have hesitated to make further investigation of branches under the direct supervision of the late partners of the amalgamated bank. It also seems probable that the directors and manager in Glasgow tended to neglect inspections of more remote branches. Indeed, in January 1862 when the unsatisfactory situation of the Kirkcaldy branch was reported, the subject of further inquiry was "remitted to Edinburgh under whom the Branch is."²

Gairdner started to investigate the situation of branches as early as in the summer of 1862. His first inspection was made to branches in Perthshire from July to September 1862.³ Thereafter, when the close supervision had continued for one year by September 1863, Gairdner visited the Perth office and reported that,

"no losses were likely to arise."⁴

A more remarkable inspection was executed in the North during August 1862 when unsatisfactory conduct in business was found in the branches at Ballater, Banchory and Brechin. There was a special report on the Brechin agent which stated that,

"Such irregularity must be avoided in future and instruction left at the Branch strictly adhered to; otherwise, the directors would have no other alternative than to close the Branch."⁵

Despite the warning, the annual inspection, held in April 1863, revealed that 10 of 22 branches in the North "still require special attention,"⁶ and, as a result, the Aberdeen cashier was

1. U.B.M., 16/10/1861, 27/11/1861.
2. Ibid., 29/1/1862.
3. Ibid., 23/7/1862, 6/8/1862, 3/9/1862.
4. Ibid., 30/9/1863.
5. Ibid., 3/12/1862.
6. Ibid., 1/4/1863.

called up to attend a meeting of the board of directors who,

"had gone over a memorandum recently issued by Mr. Gairdner to Mr. Norwell (inspector) for the purpose of bringing under the special notice of the inspectors the chief irregularities. Mr. Wyllie (the Aberdeen cashier) had expressed his cordial approval of the instructions ..., thereafter Mr. Gairdner had gone over into some detail with Mr. Wyllie in pointing out the particular accounts objected to."¹

The situation of the Aberdeen branches were put on a satisfactory footing eventually in June 1863 when Gairdner visited the Aberdeen office and reported that,

"no serious loss was likely to arise."²

Meanwhile, another four special inspections were made to branches at Alloa, Helensburgh, Lochgilphead and Strathaven. The Strathaven agent was forced to resign.³ The unprecedentedly thorough and detailed inspections were thus carried out by Gairdner alone. The senior manager, J. Robertson, did not join him.

Throughout the execution of inspections, Gairdner was very energetic as well as authoritative. He frequently visited not only the chief offices at Aberdeen and Perth but also their branches spread over the North, instructing the cashiers and agents so that any doubtful accounts were eliminated.⁴ The opinion of Gairdner would have been adhered to by the agents because they must have regarded him an authority in investigating bad debts on account of his experience as a liquidator of the Western Bank in addition to which he did actually discover a large amount of bad accounts amounting to £140,000. Through this inspection, it seems likely that Gairdner successfully established authority over the whole organisation of the Union Bank. It might be construed that the secret of his lengthy thirty-three years of headship was the energetic inspection executed in his first year of office.

1. U.B.M., 22/4/1863.

2. Ibid., 10/6/1863.

3. Ibid., 30/7/1862, 27/8/1862.

4. Ibid., 23/7/1862 and passim.

Gairdner's inspection also resulted in a development of the organisation of the Union Bank, in which the inspectors' department, though experimental, was first instituted in November 1863. The directors appointed A.B. Henderson the head of the department and he became one of Gairdner's right-hand men during his managership. Three assistant inspectors were also appointed. Consequently, Gairdner contributed greatly to the consolidation and modernisation of the Union Bank.

3


MONEY FLOW OF THE UNION BANK OF SCOTLAND

From 1860 to 1865 when the direct supervision of business in Perthshire was still placed in the hands of the Perth local committee, the ledger of the annual abstract balance of the Union Bank at the Glasgow head office kept records separately on the amounts of advances and deposits of four regions; Aberdeenshire and the North, Perthshire, Edinburgh, and the rest which was under the direct charge of the Glasgow head office. There were 22 branches under the Aberdeen office, 11 under the Perth office, 4 under the Edinburgh head office including branches at Lerwick and Kirkcaldy and 57 under the Glasgow head office. The regional distribution of advances and deposits together with the annual balance of the London correspondents accounts is set out in table 3.5.

The proportions of advances and deposits among the four regions (see tables 3.6 and 3.7) indicate that the business under the supervision of the Glasgow head office increased in both absolute and relative terms. Remarkably, more than three quarters of the whole advances were made in the offices under the charge of the Glasgow head office though they gathered less than two thirds of the total deposits. On the opposite side of the scale fell the offices in the North and Perthshire, the business of which was relatively diminishing, especially in respect of advances. The sharpest decline occurred in the North whose proportion of advances showed a reduction of more than one third from 1860 to 1865. This tendency

Table 3.5Regional Distribution of Advances and Deposits, 1860 - 1865

<u>Glasgow</u>			<u>Aberdeen</u>		
	<u>Advances</u>	<u>Deposits</u>		<u>Advances</u>	<u>Deposits</u>
1860	£4,923,717	£3,853,853	1860	£661,203	£1,101,443
61	4,995,698	3,712,646	61	612,329	1,058,646
62	4,522,118	3,642,033	62	661,176	987,784
63	4,555,383	3,981,503	63	501,162	1,036,071
64	5,272,695	4,421,277	64	433,804	1,004,095
65	5,712,708	4,589,055	65	463,565	1,059,525



<u>Perth</u>		
	<u>Advances</u>	<u>Deposits</u>
1860	£224,392	£727,843
61	234,955	714,955
62	224,345	701,096
63	229,596	664,980
64	266,424	664,170
65	190,204	710,668

<u>Edinburgh</u>		
	<u>Advances</u>	<u>Deposits</u>
1860	£845,553	£1,332,057
61	922,663	1,241,864
62	789,511	1,248,208
63	798,153	1,256,092
64	721,021	1,208,024
65	765,666	1,253,989

<u>London</u>	
1860	£549,974
61	201,281
62	423,633
63	440,030
64	325,607
65	238,080

Note: Date as in April each year.

Source: U.B.A.A.B.

Table 3.6Advances per Total: Regional Pattern, 1860 - 1865 : %

	<u>Glasgow</u>	<u>Edinburgh</u>	<u>Aberdeen</u>	<u>Perth</u>
1860	74.0	12.7	10.0	3.3
61	73.8	13.6	9.0	3.6
62	73.6	12.8	10.0	3.6
63	74.9	13.1	8.2	3.8
64	78.8	10.8	6.5	3.9
65	80.1	10.7	6.5	2.7
Av.	75.9	12.3	8.4	3.4

Note and source: as of table 3.5.

Table 3.7Deposits per Total: Regional Pattern, 1860 - 1865 : %

	<u>Glasgow</u>	<u>Edinburgh</u>	<u>Aberdeen</u>	<u>Perth</u>
1860	54.9	19.0	15.7	10.4
61	55.2	18.5	15.7	10.6
62	55.4	19.0	15.0	10.6
63	57.4	18.1	15.0	9.6
64	60.6	16.6	13.8	9.0
65	60.3	16.5	14.0	9.2
Av.	57.3	17.9	14.8	10.0

Note and source: as of table 3.5.

Table 3.8Advances as Percentages of Deposits: Regional Pattern, 1860 - 1865

	<u>Glasgow</u>	<u>Edinburgh</u>	<u>Aberdeen</u>	<u>Perth</u>
1860	127.8	63.5	60.0	30.8
61	134.6	80.0	57.8	32.9
62	124.2	63.3	61.9	32.0
63	114.4	63.5	48.4	34.5
64	119.3	60.0	43.2	40.1
65	124.5	61.1	43.8	26.8
Av.	124.1	65.2	52.5	32.9

Note and source: as of table 3.5.

Table 3.9Average Deposits per Office: Regional Pattern, 1860 - 1865

	<u>Glasgow</u>	<u>Edinburgh</u>	<u>Aberdeen</u>	<u>Perth</u>
1860	£66,445	£26,641	£47,888	£60,653
61	64,011	24,837	46,028	59,579
62	62,793	24,964	42,947	58,424
63	68,646	25,121	45,046	55,415
64	76,228	24,160	43,656	55,347
65	77,780 ¹	25,079	46,066	59,222

Note: 1. 59 offices.

Source: as of table 3.5.

can be more clearly confirmed by advances as percentages of deposits, as table 3.8 shows. The offices in the North and East were advancing only one third to two thirds of their deposits.

From these figures, it is absolutely clear that the Union Bank was moving resources away from the North and East and supplying them to the industrial West. Moreover, the Bank further transferred them to the London correspondents, whose average annual balance, £0.36m, was far larger than the average amount of advances made in Perthshire. This money flow was happening while the ability to gather deposits in the North and East did not show any substantial decline (table 3.9). Consequently, we can conclude that the Glasgow based Union Bank depended considerably on the resources in the North and East and even began to transfer not insubstantial sums beyond the border to London.¹

It should then be queried as to whether this kind of money flow was deliberately pursued by the Union Bank. A positive answer is probable. Irrefutable evidence is the intensive inspection itself which was made, almost exclusively, to branches in the North and Perthshire, as we have already seen. In executing investigations, Gairdner and the directors attached special importance to putting a stop to losses which had arisen from advances,² and this undoubtedly resulted in agents there being

1. See chapters 4.2(2) and 5.2(1).

2. U.B.M., 10/6/1863, 30/9/1863.

chary of pushing loans. Therefore, although there remains no record of Gairdner and the directors uttering their intention of depriving the North and East of resources, it is fairly reasonable to say that they regarded their branches there as a reservoir for the Union Bank resources.

The money flow of the Union Bank can be paralleled by an English example which was explained by Thomas Richardson - London bill broker in the early 19th century and quoted by Sir Walter Bagehot in his "Lombard Street", - who said that,

"I receive bills to a considerable amount from Lancashire in particular, and remit them to Norfolk, Suffolk &c., where the bankers have large lodgement, and much surplus money to advance on bills for discounts."¹

According to Bagehot, the example suggested by Richardson was still prevalent in England during the 1870's, and, therefore, the money flow from an agricultural area such as Aberdeenshire to an industrial area such as Lanarkshire is a natural result of a banking business which is intermediary between the areas of surplus and of deficit money. So far, similarity, and in the case of the Union Bank we should note that a money flow in this pattern was going on inside itself, a single bank, in the early 1860's. What enabled the Union Bank to offset inside itself differences between credit surplus and deficit areas was the wide network of branches, which other large joint-stock Scottish banks also had. Consequently, it could be argued that the money flow, exemplified by the Union Bank, might be common in Scottish banking. This sort of money flow, at least on a large scale, was still beyond the capacity of their English counterparts, which had not yet established nationwide branch networks.²

4

THE UNION BANK OF SCOTLAND AT ITS ZENITH

Making drastic changes in its management, the Union Bank of Scotland was approaching its zenith in this period which can be divided into two phases.

1. W. Bagehot, 1873, pp.285-6.
2. P.L. Cottrell, 1980, p.205.

Table 3.10

Main Items of Balance Sheets, 1859 - 1865

	1. Total Liabilities	2. Deposits	3. Reserve	4. Advances	5. Acceptances by London Agents and Marginal Credit	6. Investments	7. Other Liquid Assets	8. Profits
1859	£8,890,290 100%	£6,676,626 75.1%	£200,000 2.2%	£6,727,589 75.7%	-	£1,175,300 13.2%	£838,716 9.4%	£104,447 1.2%
60	9,289,667 105%	7,015,196 75.5%	200,000 2.2%	7,051,103 75.9%	-	776,206 8.4%	1,299,616 14.0%	110,768 1.2%
61	9,096,257 102%	6,728,111 74.0%	200,000 2.2%	6,926,637 76.1%	-	1,053,302 11.6%	952,008 10.5%	122,998 1.4%
62	8,763,680 99%	6,579,121 75.1%	200,000 2.3%	6,341,895 72.3%	-	1,218,859 13.9%	1,039,555 11.9%	102,864 1.2%
63	8,914,890 100%	6,938,646 77.8%	67,864 0.8%	6,107,950 68.5%	-	1,570,288 17.6%	1,069,363 12.0%	95,292 1.1%
64	9,374,455 105%	7,297,566 77.8%	78,156 0.8%	6,771,186 72.2%	£110,704 1.2%	1,390,573 14.8%	1,039,334 11.1%	118,168 1.3%
65	9,834,605 111%	7,613,237 77.4%	109,368 1.1%	7,507,748 76.3%	231,022 2.3%	1,317,647 13.4%	842,726 8.6%	143,028 1.5%

Notes: 1. Date as in May each year.

2. % of column I; growth rate.

3. % of columns 2-8; of total liabilities.

Sources: U.B. Annual Reports. U.B.A.A.B.

Table 3.11Advances and Investments as Percentages of Deposits, 1859 - 1865

	<u>Advances</u>	<u>Investments</u>
1859	100.8%	17.6%
60	100.5	11.1
61	103.0	15.7
62	96.4	18.5
63	88.0	22.6
64	92.8	19.1
65	98.6	17.3

Source: table 3.10.

A sharp decline of the total liabilities, deposits, advances and profits was seen in 1862 when all figures fell below those of 1859 as table 3.10 shows. The business of the Union Bank was apparently damaged by the accumulation of bad debts such as those of Blackie & Son and the Monkland Iron & Steel Co. and was also, probably, influenced by the outbreak of the American Civil War. Facing this situation, the directors for the first time in their history reduced their dividend in 1863, which remained at 8% till 1865. The reserve also diminished in 1863 to a little more than one third of that in 1862. The result was the major change in the management.

"A special revision of the securities,"¹ carried out by Charles Gairdner, led the Union Bank to change its assets management in which investments, primarily Consols, began to be preferred, as table 3.11 indicates. Under the management of Gairdner, the Union Bank, consolidating its wide branch network, developed from 1863 to 1865 when it stood only second to the Royal Bank of Scotland in terms of total liabilities, deposits and advances. This was the zenith of the Union Bank of Scotland and this position was never regained.

1. U.B. Annual Report, 8/5/1862.

CHAPTER 4

YEARS OF DIFFICULTY, 1865-1879

Between 1866 and 1879, the Union Bank of Scotland fell continuously in ranking among the Scottish banks in terms of total liabilities, deposits and advances. The Bank became more and more careful about making advances and reluctant to expand its branch network. This policy was deliberately pursued by Charles Gairdner who was at the same time emerging as the most powerful person inside the boardroom. The policy of caniness was reinforced by two incidents, that is, failure of London firms in 1866 and 1875.

I

THE FAILURE OF TWO LONDON FIRMS

Overend, Gurney & Co., who had their origin earlier in the 1810's, converted themselves in July 1865 into a limited company with £1.5m paid up capital in order to provide additional funds to be applied to their expanded financing of foreign trade. Following the collapse of a discount house, Gurney & Co. was exposed to heavy speculation on the London Stock Exchange in the spring of 1866. The Bank of England, which had been hostile to them, refused to assist them. In May 1866, Gurney & Co. stopped payment, leaving net losses of over £5m and pulling down nine banking and financial concerns.¹

A telegram from a director of the Union Bank that "Our friends at the Corner have stopped"² reached the manager, Gairdner, and the fellow directors, who were taken by surprise for they had but lately increased their business with Gurney & Co. The Bank had placed funds there for £250,000 in January 1866 and £100,000 in April.³ Through the business with Gurney & Co., the Union Bank, in common

1. R.H. Patterson, 1868, pp.224, 228, 232, 689. W.T.C. King, 1936, pp.242-251. J. Clapham, 1944, vol.2, pp.260-1. J. Giuseppi, 1966, pp.119-120. R.N. Forbes, 1966, pp.175, 179, 181.

2. H. Gairdner, n.d.

3. U.B.M., 17/1/1866. U.B.A.A.B., 2/4/1866.

with the Bank of Scotland and City of Glasgow Bank, was in possession of bills of James Morton & Co., which were discounted by Gurney & Co. and pledged with the Union Bank. Gairdner and the directors were forced to support the firm of J. Morton & Co., soon arranging with the other banks that,

"the manager made a statement of the position of the accounts of James Morton & Co. with special reference to the stoppage of Overend, Gurney & Co., Limited, with whom they had a discount account and it was agreed to discount for Messrs. Morton & Co. during the next four weeks in equal proportion with the Bank of Scotland and City of Glasgow Bank, bills to the account of those falling due in the hands of Overend, Gurney & Co., Ltd., ... this Bank's share of said discounts not to exceed £26,000."¹

The extent of the Union Bank's responsibility was seemingly not large. As a result of the trustees of Gurney & Co. surrendering sufficient securities in November 1867, the Bank could get rid of further commitment to the bad debts, though past-due bills of Gurney & Co. still stood at £5,257 in April 1868. In general, Scottish banking did not suffer greatly from this incident, but it was the City of Glasgow Bank upon which the whole onus of financial support of the aggressive Morton & Co. fell. Thus, the City Bank started to falsify its balance sheets in the aftermath of Gurney's failure.²

The failure of Alexander Collie & Co., one of the largest firms of East India merchants, had a tremendously severe effect on the Union Bank in particular. There was no sign of their dangerous situation until 16 June 1875 when the news of their collapse with liabilities of £3m reached the Bank.³ This was the greatest surprise which Charles Gairdner ever had since his commencement of the manager-ship.⁴ The first detailed account appeared in "the Economist", which reported that,

1. U.B.M., 16/5/1866.

2. S.G. Checkland, 1975, pp.470-1.

3. K. MacKenzie, 1909, p.97.

4. H. Gairdner, n.d.

"On Tuesday afternoon an event occurred, the suspension of Messrs. Alex. Collie & Co. of Manchester and London, with liabilities estimated at 3,000,000 l., which has produced a large crop of suspensions, including one firm of bill brokers ... The failures have occurred much more suddenly than those connected with Messrs. Sanderson's suspension (in 1857)."¹

The Economist was highly critical of Collies, explaining that,

"extensive system of accommodation bills ... the greatest offender being Alex. Collie & Co..... the plan of this house, it appears, was to affiliate with it a large group of houses upon whom it drew bills, which were made to bear every appearance of ordinary trade bills; and it then passed off their bills to the discount brokers by whom they were deposited as security for advances, mainly with Joint Stock Banks."²

Among "Joint Stock Banks" was the Union Bank. The Collie's case was, thus, one of the largest systematised 'kite-flying' in the history of British banking, which instantly pulled down 22 concerns including the London Joint Stock Bank and eventually involved 80 merchant houses, six London banks and two discount companies in great difficulty.³

The Union Bank was the only Scottish bank directly involved in the Collie's fraud. Its relationship with Alexander Collie commenced in 1872 when one of the directors introduced him to Gairdner.⁴ Collie was a native of Scotland and a merchant of 'high respect'.⁵ Gairdner and the directors did not seem to have suspected that they were at great risk. Collie, an organiser of drawing accommodation bills, was so cunning that he left no evidence in the hands of Gairdner, which could have proved the fraud. Indeed, the negotiations

1. Economist, 19/6/1875.

2. Ibid., 7/8/1875.

3. Ibid., 24/7/1875, 7/8/1875. See also E.T. Powell, 1915, pp.429-430. A.W. Kerr, 1926, p.249.

4. H. Gairdner, n.d. According to Mrs. Gairdner, "Mr. Collie had been introduced to him by one of his most trusted directors." The name of the director is unknown.

5. Times, 10/8/1875.

between Gairdner and Collie, surprisingly, proceeded "so much upon conversations".¹ Gairdner had ignored the basic caution of a banker, accepting at face value the introduction to Collie. The unhappy directors were forced to decide that,

"dissupported by documentary evidence, it is not expedient that the Bank should proceed criminally as proposed,"²

and watched the course of prosecution instituted by the London & Westminster Bank. There was no recourse. Alexander Collie disappeared and died in New York in 1895.³ The Collie fraud also involved the customers of the Union Bank; Dennistoun, Cross & Co., Findlay Campbell & Co. and Smith, Fleming & Co. The main bank of Smith, Fleming & Co. was the City of Glasgow Bank and this must have further aggravated its financial situation.⁴

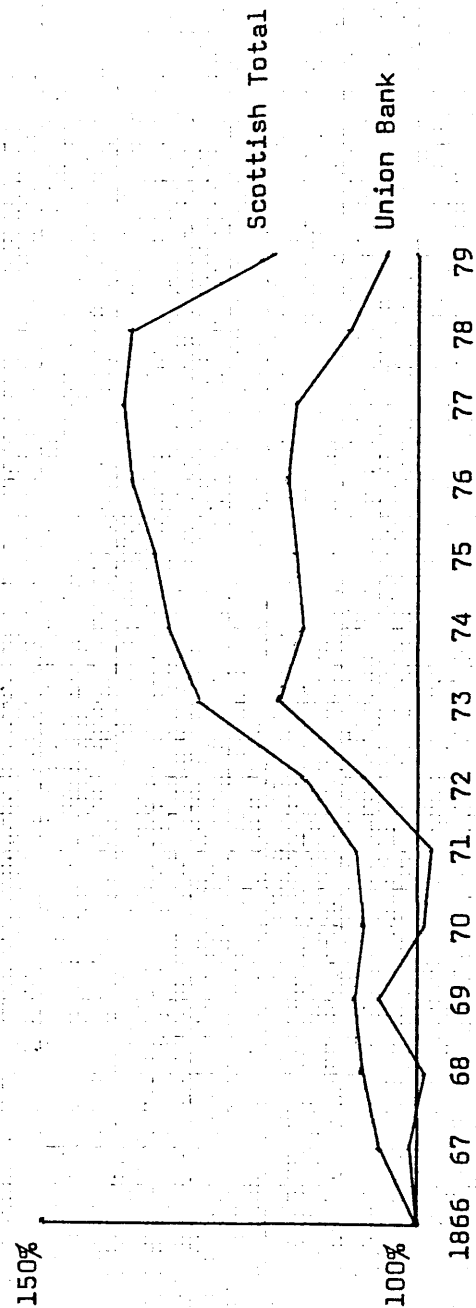
The losses of the Union Bank amounted to £150,000.⁵ To meet them, the Bank had to deplete the reserve by £120,000 and also transfer £33,000 from the profits of 1876. The reserve of the Bank became the smallest among the major Scottish banks in 1876 being only a little more than two thirds of that of the rival, but medium scale, Clydesdale Bank which had total liabilities of £9.5m in comparison with £12.4m of the Union Bank. Only a few years before the general crisis of 1878, the Union Bank had been seriously damaged by the Collie fraud in respect of both business and public image.

From 1866 to 1879, the total liabilities of the Union Bank increased from £10.6m to £11.0m. The growth rate was only 3.7% which was far below that of the Scottish total (19%). Especially after 1873, when the British economy was shifting from 'boom' to the so-called 'Great Depression', the gap between the Union Bank and the Scottish total was widening remarkably as diagram 4.1 clearly shows. The Union Bank was apparently left behind compared with other Scottish banks.

1. U.B.M., 20/7/1875.
2. Ibid., 20/7/1875.
3. H. Gairdner, n.d.
4. R.E. Tyson, 1974, p.129.
5. Times, 10/8/1875.

Diagram 4.1

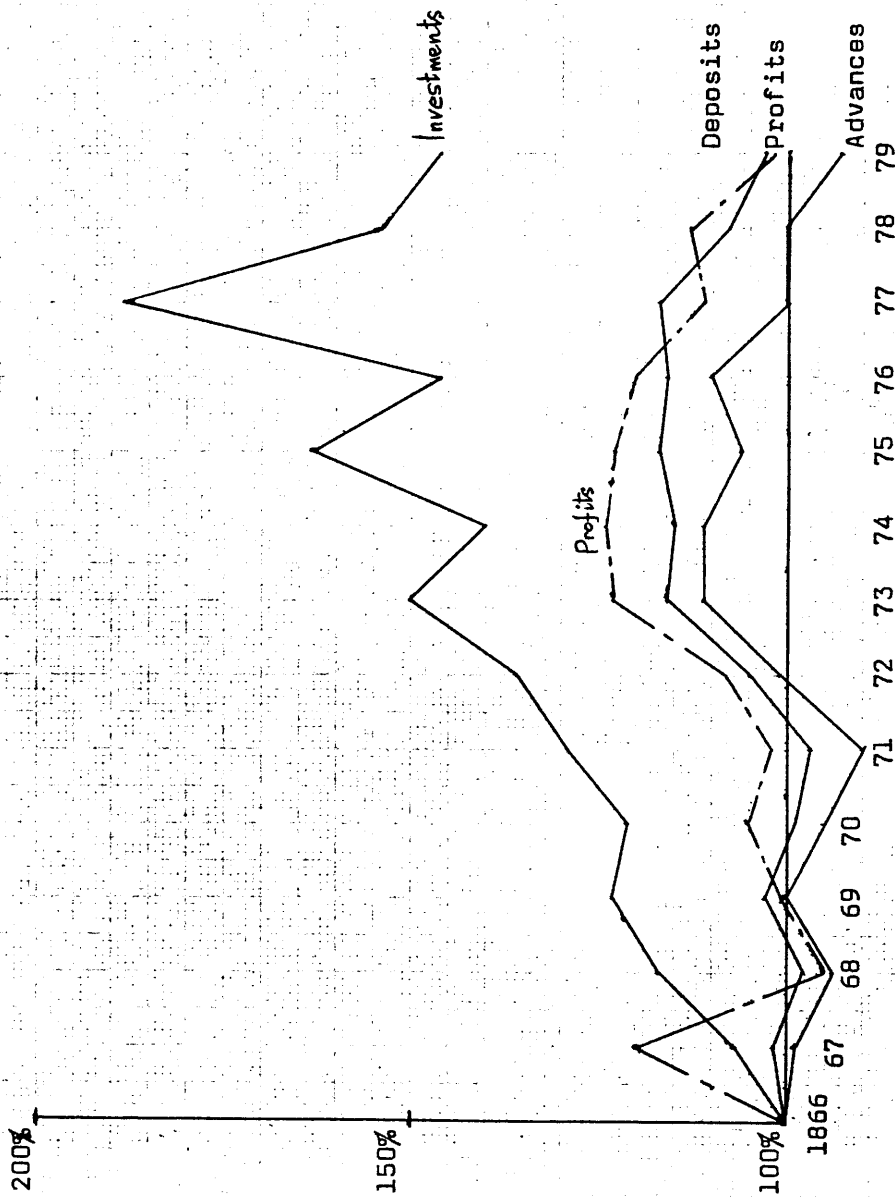
Growth Rates of Total Liabilities: Union Bank and Scottish Total,
1866 - 1879



Source: S.G. Checkland and A.B. MacDonald, 1973.

Diagram 4.2

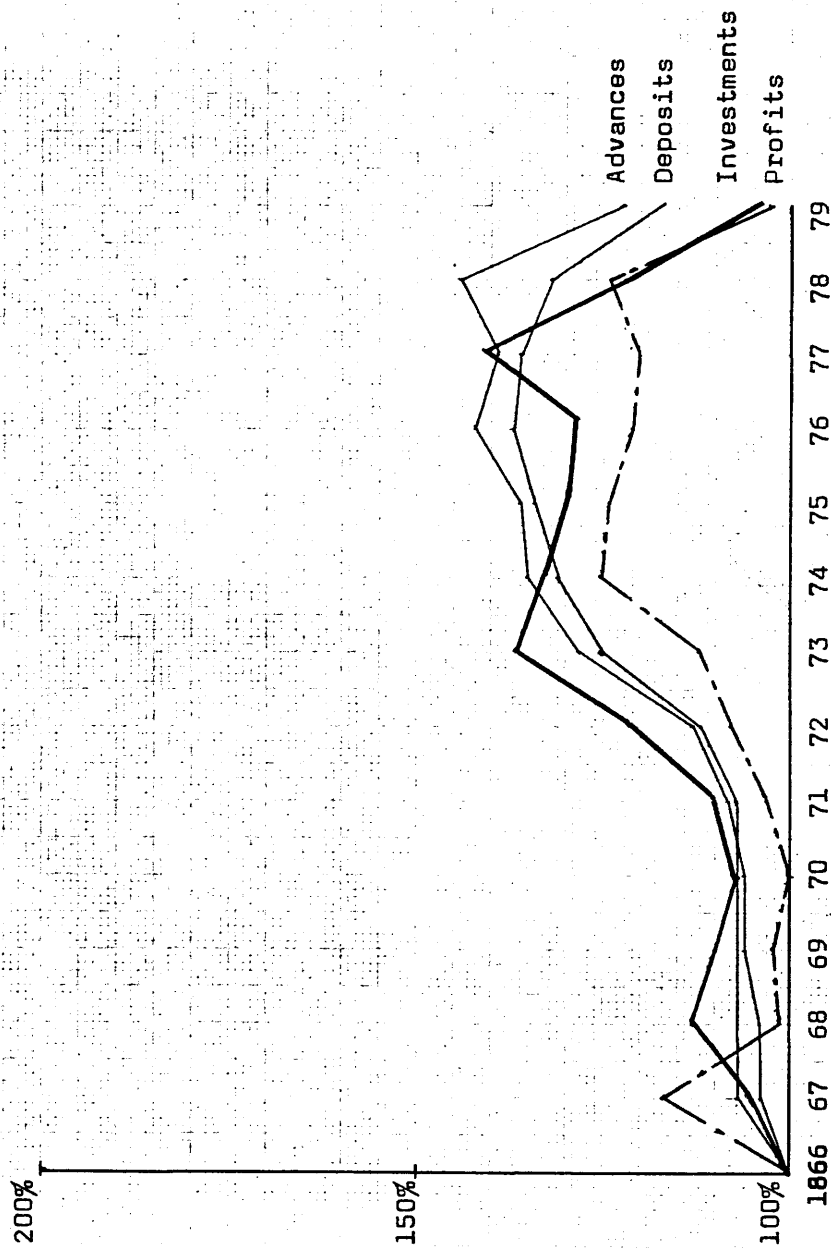
Union Bank: Growth Rates of Deposits, Advances, Investments and Profits, 1866 - 1879



Source: As of Diagram 4.1.

Diagram 4.3

Scottish Total: Growth Rates of Deposits, Advances, Investments
and Profits, 1866 - 1879



Source: As of diagram 4.1.

Taking some main items of the liabilities/assets into consideration, a remarkable performance by the Union Bank can be seen (diagrams 4.2 and 4.3). Two major elements of banking business, that is, deposits and advances, which made similar movements during the whole period as diagram 4.2 exhibits, did not grow strongly except in the mid-1870's. The poor performance was particularly obvious with regard to advances which even fell below those of 1866 in the years of 1867/71 and were again slipping down from 1876. At the opposite end of scale of performance rose investments which increased continuously from 1866 to 1873 when their growth rate touched 150% and were strengthening even further, approaching 190% in 1877. The rapid growth of investments was the most remarkable feature of the Union Bank in Scottish banking. The sharp increase in, or need to increase, investments, which might be the result of the general economic climate, the so called 'Great Depression', eventually forced the Bank to change the contract of co-partnery in the mid-1870's as will be discussed later.

There seems little doubt that Gairdner and the directors of the Union Bank were thoroughly scared by the 1866 and 1875 failures. As a result, they reduced their advances, especially on bills, preferring the greater safety of government investments. Their greater caution, however, did reduce their overall business.

2

BUSINESS IN DIFFICULTY

1. The Decrease of the Glasgow Business and the Emergence of Sectoral Preference

Details of advances by the Union Bank are not known from its balance sheets in this period which only show the aggregate sum of "Bills of Exchange, Local and Country, Cash Credits and Other Advances". Fortunately, there remains evidence of business done at the Glasgow head office, which is set out in table 4.1 and diagram 4.4.

Table 4.1 Business at Glasgow Head Office, 1866 - 1879

	1.Credit Accounts	2.Loan on Rail & Other Securities	3.Local Bills	4.Bills of Exchange	5.Bills from Branches	6.3+4+5	7.1+2+6	8.Deposits	9.7/8	10.Growth Rate of Total Liabilities
1866	£1,507,968 27.4%	£167,556 3.0%	£1,984,790 36.0%	£1,431,924 26.0%	£417,075 7.6%	£3,833,789 69.6%	£5,509,313 67.5%	£1,392,024 16.9%	396%	100.0%
67	1,595,075 28.3	127,626 2.3	2,074,492 36.7	1,380,031 24.4	465,916 8.3	3,920,439 69.4	5,643,140 69.6	1,318,243 15.7	428	100.9
68	1,723,988 32.5	122,401 2.3	1,996,438 37.7	861,750 16.3	592,460 11.2	3,450,648 65.2	5,297,037 69.3	1,290,616 16.0	410	98.5
69	1,609,718 29.4	285,992 5.3	1,915,032 35.0	1,037,484 19.0	619,058 11.3	3,571,574 65.3	5,467,284 66.9	1,489,993 17.6	367	104.6
70	1,701,829 31.9	413,679 7.7	1,555,293 29.1	1,030,894 19.3	639,699 12.0	3,225,886 60.4	5,341,394 68.8	1,289,628 15.9	414	98.8
71	1,379,703 27.3	543,800 10.8	1,536,356 30.4	998,030 19.8	591,321 11.7	3,125,707 61.9	5,049,210 68.9	1,149,418 14.5	439	97.5
72	1,334,192 23.8	901,693 16.1	1,641,510 29.3	965,067 17.2	758,645 13.6	3,365,222 60.1	5,601,107 68.3	1,210,853 14.2	463	107.2
73	940,986 15.9	660,441 11.2	1,702,646 28.9	1,616,858 27.4	980,414 16.6	4,299,918 72.9	5,901,345 65.4	1,263,816 13.3	467	117.7
74	997,491 16.7	849,605 14.2	1,586,772 26.6	1,413,040 23.7	1,120,848 18.8	4,120,660 69.1	5,967,756 66.1	1,188,561 12.6	502	115.3
75	771,641 14.1	794,309 14.5	1,509,441 27.5	1,545,758 28.2	867,201 15.7	3,922,400 71.4	5,488,350 63.5	918,495 9.6	598	116.3
76	978,451 18.4	947,242 17.8	1,334,711 25.0	1,242,903 23.3	827,742 15.5	3,405,356 63.8	5,331,049 58.9	814,640 8.4	654	116.5

149

Table 4.1 (Continued)

	1.Credit Accounts	2.Loan on Rail & Other Securities	3.Local Bills	4.Bills of Exchange	5.Bills from Branches	6.3+4+5	7.1+2+6	8.Deposits	9.7/8	10.Growth Rate of Total Liabilities
1877	£951,891 21.3	£477,159 10.7	£1,194,081 26.7	£1,099,978 24.6	£747,057 16.7	£3,041,116 68.0	£4,470,166 55.0	£1,068,369 11.1	418%	116.2%
78	1,208,871 29.2	387,310 9.4	903,194 21.8	924,825 22.3	715,278 17.3	2,543,297 61.4	4,139,478 50.8	768,401 8.6	539	109.3
79	925,921 27.8	337,570 10.2	823,138 24.8	615,059 18.5	621,013 18.7	2,059,210 62.0	3,322,701 44.4	937,878 10.9	354	103.7
Av.	24.6%	9.7%	30.0%	22.1%	13.9%	65.8%	63.1%	13.2%	461%	

Notes: 1. Date; as in April each year.

2. % in columns 1-6; as of column 7.

3. % in columns 7 & 8; as of the total advances and deposits of the Bank.

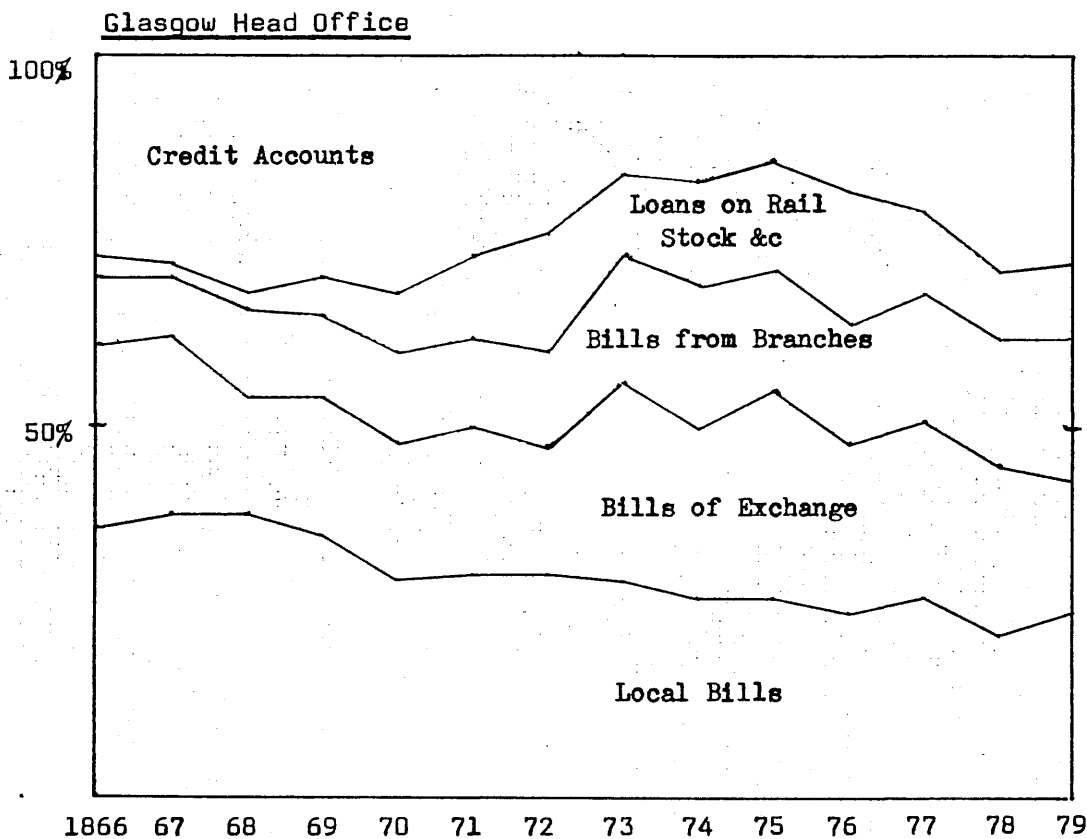
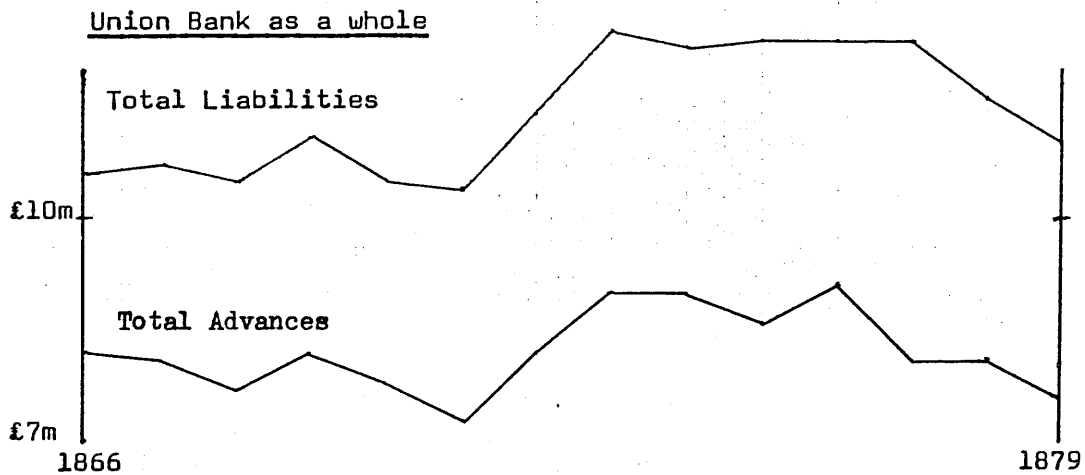
4. The amounts of deposits seem to be too small for those of the head office because an examination of accounts held in May 1879 revealed that the head office had deposits for £2.8m (U.S.M., 15/5/1879). Unfortunately, there remains no material which could reconcile the gap.

Sources: U.B. Annual Reports.
U.B.P.J.

Diagram 4.4

Total Liabilities and Advances and Proportions among Advances
at Glasgow Head Office, 1866 - 1879

Methods of
Advances



Sources: As of table 4.1.

On average, the most favoured method of advance was discounting of bills, among which local bills, that is, payable in the towns of Scotland,¹ were preferred. Except for the two years of 1875 and 1876, the fluctuation of the amount of discounts corresponded with that of the total liabilities. The most sensitive element was bills of exchange, that is, payable in London. In 1875 when the amounts of two other bills, together with other methods, diminished, bills of exchange increased, thus supporting the growth of the Union Bank. From this, though the available figures are limited to those of the Glasgow head office, it might be argued that one of the main factors of the growth of the Bank was not discounts in general but those of bills of exchange in particular. In this respect, the significance of the failures of London firms, especially that of Collie & Co., was so great that Gairdner and the directors learned the lesson that bills of exchange, particularly those arisen from foreign trade and almost exclusively payable in London, were risky and should be avoided. Indeed, after the Collie fraud, the amount of bills of exchange continuously diminished being eventually surpassed by that of "bills from branches".

Credit accounts, which in the previous periods tended to increase when the total liabilities and discounts decreased, ceased to be the sole alternative method to discounts. Loans on railway and other securities emerged as the third main method of lending in the early 1870's and supported the growth in the mid 1870's. The relative decline of credit accounts suggests that Gairdner and the directors even attempted to reduce unsecured overdrafts which were allowed on credit accounts. The lending policy of the Union Bank displayed, indeed, every appearance of caniness, or even too much carefulness.

Table 4.1 suggests another point, that is, the importance of the head office business of the bank. Up to 1875 when the Union Bank still showed aggressiveness in increasing advances (diagram 4.2), those made at the Glasgow head office constantly amounted to two thirds of the total advances and were four to six times larger

1. C.W. Munn, 1981, p.121.

than its deposits. After 1876, the advances at the head office lost ground, being reduced to less than half of the total in 1879, and the total liabilities followed the same course. It could be argued that the whole business of the Union Bank, though it had one hundred branches and another head office, substantially depended on the activeness of the Glasgow head office. Indeed, the business of the head office, which the directors and general manager directly conducted, must be an indication of their ability and policy as well as of vital importance for the development of the bank.

Along with the eclipse of development, favourite sectors in the economy of the Union Bank became evident. It might be construed that the bank, when it was losing the initiative to expand its business, tended to concentrate its advances on certain sectors with which it had already been well acquainted. Of some 175 authorisations of credits for £10,000 and over, to which we may now well apply a term 'special advance' in respect of its magnitude, nearly 90% was given to six sectors as are set out in table 4.2. Save for the chemical industry, there is an absolute correlation between the number of authorisations and average amount of advances. The methods and purposes of advances made to the upper-ranking three sectors, whose number of authorisations was nearly two thirds of the special advances and whose business was clearly given the priority, should be worth detailing.

Table 4.2

Sectoral Preference, 1866 - 1879

<u>Sector</u>	<u>Number</u>	<u>Average Amount</u>
1. Railway	61	£56,129
2. Trade	28	32,019
3. Shipbuilding & Engineering	24	28,816
4. Iron & Coal	20	28,650
5. Textile	14	22,571
6. Chemical	8	28,125
	<hr/> 155 <hr/>	

Sources: U.B.M., passim.

In terms of both number and average amount of authorisations, railway companies were preferred customers of the Union Bank. Main borrowers were three, the North British (NB), Glasgow & South Western (GSW) and City of Glasgow Union (CGU). Financing the three companies, the Bank allowed NB advances chiefly on its debentures and GSW and CGU credits on overdrafts.¹ CGU, which was engaged in building railway lines, was the most frequent applicant, being awarded at least fourteen special advances in this period. CGU's credits were from time to time guaranteed by the senior NB and GSW.² NB and GSW sometimes asked the Bank to sanction credits to enable them to pay off their dividends as they did in the previous years. In one case, the Bank granted a large overdraft of £155,000 for this purpose to GSW.³ Railway financing for the purpose of dividend payments was, thus, not extraordinary business for the Union Bank, probably in common with other major Scottish banks.⁴

Transfers of Consols, which made their appearance in 1863, were still going on and were mainly sanctioned to the English railway companies. From 1865 to the end of 1871, when British railway building was making remarkable progress,⁵ the cumulative sum of £1.7m of Consols was transferred to forty-two companies.⁶ On behalf of the Scottish railway companies, the Bank allowed transfers of their deposit receipts as parliamentary deposits,⁷ the amount of which was far smaller than transfers of Consols to their English counterparts. The transfer of deposit receipts might be a forerunner of the negotiable CD of the 20th century.

In the sector of trade, there were two sorts of borrowers, that is, private firms of merchants and trading companies of

1. U.B.M., 4/3/1868, 21/3/1868 and passim. NB merged with Edinburgh & Glasgow in 1865 (T.C. Barker and C.I. Savage, 1974, p.88).
2. U.B.M., 17/3/1869, 3/11/1869.
3. Ibid., 27/3/1878.
4. For the same purpose, the Bank allowed a credit to Tharsis Sulphur & Copper Co. (U.B.M., 13/5/1874).
5. T.C. Barker and C.I. Savage, 1974, p.85.
6. U.B.M., 17/1/1866 and passim.
7. Ibid., 6/12/1865 and passim.

limited liabilities. Among the private firms, Dennistoun & Co. were still customers of considerable standing, obtaining a large credit for £100,000 on behalf of the London firm of Dennistoun, Cross & Co.¹ Otherwise, the Bank greatly decreased their advances, in both terms of number and amount, to Dennistoun & Co. whose main business had already changed from trade to house building.²

Another notable borrower, J.N. Fleming, was authorised to draw on the Union Bank to the extent of £50,000, in 1866.³ His credit was guaranteed by various entrepreneurial merchants, including William MacKinnon. Both Fleming and MacKinnon were directors of the City of Glasgow Bank.⁴ The involvement in the business of the City Bank's customers did not further develop. The Union Bank apparently began to avoid aggressive firms of merchants, engaged especially in foreign trade, the involvement in which was one of the main causes of development and difficulty during the 1850's. This attitude resulted in the decrease of advances on bills of exchange and the stagnation of acceptance business which was as low as 1.8% on average and far below the Scottish average (7.1%) in 1872.⁵

The Union Bank, thus, obviously preferred large trading companies to private firms of merchants, and then two limited companies appeared as large borrowers, that is, the New Zealand & Australia Land Co. (NZAL) and the Haputale Coffee Co. NZAL was the reorganised Canterbury & Otago Association Ltd. and was promoted by an aggressive merchant, James Morton, but it soon outgrew his interest involving the Edinburgh banks, Union Bank and particularly City of Glasgow Bank. There seems to have been no particular danger for the Union Bank because NZAL financing was a joint venture of the Scottish banks including the public banks, though the City Bank failure in 1878 forced the rest of the Scottish banks to bear the whole financial support of NZAL.⁶ The Union Bank allowed NZAL advances primarily on debentures and overdrafts.⁷

1. U.B.M., 13/12/1876.

2. Ibid., 4/10/1871. Merchant House of Glasgow, 1866, pp.546-8.

3. U.B.M., 2/5/1866.

4. R.E. Tyson, 1967, p.395.

5. R. Somers, 1873, appendix III.

6. U.B.M., 8/11/1878.

7. Ibid., 23/3/1876, 23/10/1878, 5/2/1879.

The Haputale Coffee Co. (London), trading to Ceylon, first obtained a large credit of £70,000 in the autumn of 1878 at the newly opened London office.¹ As it was the concern of a director of the Bank, F. Pitman, Haputale financing fell exclusively upon the Bank which greatly involved itself in the business of Haputale Co. in the following period.² Consequently, it seems fairly certain that the Union Bank preferred incorporated trading companies, especially towards the end of the 1870's, which might be considered by Gairdner to be safer than unlimited firms of merchants.

In the shipbuilding and engineering sector, there were two notable borrowers, i.e., Dobie & Co. (Govan) and J. & G. Thomson (Finnieston). Credits authorised to Dobie & Co. were entirely operated by overdrafts, ranging from £7,000 to £15,000. Authorisations were usually renewed every four to six months. The Bank did not give Dobie & Co. credit in excess of £15,000. However, the firm of Dobie & Co., a very frequent borrower, was of not too risky a character for the Bank.

On the contrary, in the case of Thomsons', the Union Bank gradually increased advances on credit accounts, primarily overdrafts, as table 4.3 sets out. The funds supplied by the Bank amounted to more than one fifth of the total liabilities/assets of

Table 4.3

Thomson Financing, 1865 - 1878

<u>Date</u>	<u>Amount</u>
May 10, 1865	£40,000
August 23, 1871	60,000
August 7, 1872	60,000
June 30, 1873	65,000
January, 19, 1876	90,000
August 8, 1877	110,000
June 30, 1878	92,000

Sources: U.B. (Glasgow), Charles Gairdner's Note Book,
30/6/1873. U.B.M., as at date excluding 30/6/1873.

1. U.B.M., 4/9/1878.
2. See chapter 5.3(1).

Thomsons' in 1876.¹ Although the amount of their credits was not the largest among the Bank's loans, this was a dangerous involvement in one customer, any small accidents in whose business could force the bank to make further advances, thus damaging the latter. Indeed, the Union Bank had to undergo a testing time which was really caused by two accidents in connection with the Thomsons' firm.²

2. The Commencement of Foreign Investments

Consols, which had become a main constituent of the portfolio of the investments prior to 1865, continued to be the largest outlet for investments by the Union Bank as table 4.4 sets out. The constant holding of Consols with more than £1m indicates that they became the central part of the Union Bank reserve. The gap between

Table 4.4

Investments, 1866 - 1874²

	<u>1. Government Securities</u>	<u>2. 1 as % of Total Liabilities</u>	<u>3. Total Investments as % of Total Liabilities</u>	<u>4. 3 - 2</u>
1866	£1,002,737	9.4%	9.3%	-1.0 ³
67	1,001,024	9.3	10.0	0.7
68	1,600,171	15.3	11.1	-4.2 ³
69	1,001,024	9.0	11.0	2.0
70	1,001,024	9.5	10.9	1.4
71	1,001,024	9.7	12.4	2.7
72	1,001,024	8.8	11.9	3.1
73	1,001,024	8.0	12.0	4.0
74	1,001,024	8.2	11.3	3.1

Notes: 1. Date; as in April each year.

2. Details are not known from the annual reports of 1869/79, and therefore we must rely on the annual abstract balance.

3. Inconsistent figures are probably due to the dates at which the abstract balance and annual report were made.

Sources: U.B. Annual Reports. U.B.A.A.B.

1. U.B. (Glasgow), Charles Gairdner's Note Book, 30/6/1876.

2. See chapter 5.3(2).

the columns 2 and 3 of table 4.4 was caused by the proportion of other investments which was increasing noticeably in the early 1870's. This suggests that the Union Bank began to search for other outlets for investments besides British government securities. Thus, the need to increase investments encountered an obstacle in the stipulation in the contract of copartnery which was eventually lifted in May 1874 stating that,

"the Bank, without prejudice to their existing powers of investment, may take investments in the Public Funds, Stocks, Shares, Debentures, or Mortgages, of the Government of India, or of any British Colony, or of the United States of America, and any Funds, Stocks, Shares, Debentures, or Mortgages guaranteed by any such Government; and may purchase, acquire, and dispose of Real Estate in any parts of the United Kingdom, or may lend on security of such Real Estate."¹

Immediately from the summer of 1874, the Union Bank commenced foreign investments, especially the United States bonds whose yields were well over those on Consols.²

There was another benefit which could be obtained by making investments in the U.S. bonds as,

"Mr. Gairdner recommending that prepayment of all instalments thereof should now be made subject to rebate of 2% interest, being the highest rate that could be obtained; approved ... instructed further ... tender now be made of prepayment of the instalments in the Bank's new allotment of £1,500,000 of 4½% funded bonds under the same rebate."³

The offer of 2% rebate in addition to 4½% interest must have been attractive to the directors because the Bank of England rate fell to only 2% from April 1876.⁴

The amount of the U.S. bonds investments jumped up from £109,000 (£:£4.6) in June 1874 to £745,000 (£:£4.7) in April 1877

1. Appendix II.

2. B.R. Mitchell and P. Deane, 1976, p.455. S.Homer, 1963, p.288.

3. U.B.M., 21/9/1876.

4. B.R. Mitchell and P. Deane, 1976, p.457.

as table 4.5 sets out. The large amount of the U.S. investments, more details of which are, unfortunately, not clear, was admittedly a principal factor in the rapid growth of the total investments, which was the most noteworthy performance of the Union Bank in Scottish banking during the 1870's (see diagram 4.2).

Table 4.5

U.S. Investments in the mid-1870's.

	1. <u>Amount of Purchase</u>	2. <u>Purchase Price</u>	3. <u>Amount of Sale</u>	4. <u>Sale Price</u>	5. <u>Foreign Ex- change rate</u>
June 17, 1874	£262,500	104 $\frac{3}{4}$ /105 $\frac{1}{4}$	-	-	-
do.	75,000	111/111 $\frac{1}{4}$	-	-	-
June 24, 1874	107,500	105 $\frac{3}{8}$	-	-	-
do.	500,000	104 $\frac{13}{16}$ /104 $\frac{15}{16}$	-	-	£:4.6
Sept. 15, 1876	-	-	£500,000	107 $\frac{5}{8}$	-
do.	500,000	-	-	-	-
Sept. 21, 1876	-	-	1,500,000 ¹	-	-
do.	1,500,000 ¹	-	-	-	£:4.6
Jan. 24, 1877	-	-	445,000	109 $\frac{1}{2}$	-
do.	-	-	75,000	110 $\frac{1}{2}$	-
do.	-	-	370,000	-	-
do.	500,000	104 $\frac{7}{8}$	-	-	-
Apr. 19, 1877	3,500,000	-	-	-	£:4.7

Note: 1. Conversion

Sources: U.B.M., as at dates.

As the recommendation to take full advantage of high returns suggests, Gairdner was very keen to push the U.S. investments, assuming leadership in the boardroom. As the minute book again recorded,

"as immediate reply was requested by Mr. Morgan (merchant banker, London), the manager, after consulting with those directors who could be seen, accepted the proposals."¹

As a result of this resolution, the sales and purchase in January 1877 were effected. It could be argued that increases in investments were the idea of Gairdner who preferred safe investments to

1. U.B.M., 24/1/1877.

advances especially on bills of exchange, particularly after the Collie fraud.

Transactions of Consols and foreign investments were operated in London. The holding of Consols, which was the largest constituent of Union Bank investments in common with the custom of the major Scottish banks, was actually kept in the books of the Bank of England. Therefore, the manager of any bank which was situated outside London, had to go to London to verify with the books of the Bank of England.¹ The bank, situated outwith London, also had to communicate with the stock broker and merchant banker who were really engaged in transacting the issued stocks and shares and underwriting the new issues of securities on the London Stock Exchange. Indeed, the Union Bank was doing business with eight firms of stock brokers and merchant bankers including N.M. Rothschild & Son and J. Morgan & Co.² The rapid growth of investments certainly necessitated an earlier opening of a London office, as will soon be discussed.

3. The Scottish Invasion of England and the London Office of the Union Bank.

By 1874, three Scottish banks had opened London offices; the National Bank in 1864, the Bank of Scotland in 1867 and the Royal Bank in 1874. The London business became indispensable as well as attractive for Scottish banking because all payments of international trade were centred there by the mid 1860's, transactions of large scale investments were operated and at the same time substantial amounts of deposits were expected.³ The Union Bank was not an exception.

In addition to the increase in investments, there was another factor with regard to the Union Bank which necessitated the establishment of a London branch. Following the opening of the overseas cable, the Bank, together with other British banks, began to remit by telegram to foreign and colonial correspondents. The Bank informed its customers that,

1. T. Hankey, 1887, pp.89-90. U.B.M., 21/12/1870.

2. Ibid., 15/9/1876 and passim. U.B.S.B., 19/4/1877.

3. M. Gaskin, 1960, pp.446-7. L.S.M. Munro, 1975, pp.27, 31.

"this Bank is prepared to make remittance to Australia and New Zealand by telegram at a charge of one per cent in addition to the cost of telegram, which is from £9 6s. 6d. to £9 16s. 6d. according to Colonial Port."¹

Although the amount of acceptances and drafts on London of the Union Bank was the smallest among the major Scottish banks,² it was also true that the Bank was increasing these transactions as table 4.6 sets out and Gairdner reported in 1873 that,

"Mr. Currie (a partner of Glyn & Co.) brought under his notice that the very large increase in the business transacted for the Bank by the firm of Glyn, Mills, Currie & Co., and in consideration thereof it was agreed; remuneration to them be advanced from £2,000 to £2,500 per annum."³

Furthermore, the number of the London correspondents increased in the mid 1870's, when another large joint-stock, the Alliance Bank, joined the network. As a result, the Union Bank had 25 London

Table 4.6

Growth of Acceptances and London Drafts, 1866 - 1877¹

	<u>Amount</u>	<u>Growth Rate:1866;100</u>
1866	£340,791	100
67	145,980	43
68	353,297	104
69	380,013	112
70	246,744	72
71	182,720	54
72	328,693	97
73	445,951	131
74	284,151	83
75	346,826	102
76	426,594	125
77	387,504	114

Note: 1. Figures for 1878 and 79 are not available.

Source: U.B. Annual Reports.

1. U.B.G.C., 28/3/1873.

2. R. Somers, 1873, Appendix III.

3. U.B.M., 31/12/1873.

correspondents in 1875; 12 joint-stock and 13 private bankers.¹ Eventually in April 1875, the Bank changed the contract so that,

"The Bank may carry on the business of Banking in any part of the United Kingdom, and the powers of the Directors are hereby extended to such business accordingly."²

Despite the adjustment of the contract, the Union Bank did not proceed forthwith to establish its London office. There might be two reasons. Firstly, the Collie fraud, which soon followed the amendment of the contract, might have made Gairdner and the directors more careful and, at least for a while, reluctant to embark upon the London business.

Secondly, and more importantly, there emerged a renewed conflict between Scottish and English banking, which resulted from the aggressiveness of the medium-sized Clydesdale Bank. As long as the Scottish invasion of England was confined to London, it was rather unlikely that much serious objection would be raised by their English counterparts, especially their country components, because the London business of the Scottish banks probably concentrated on transactions with stock and bill brokers and the London joint-stock banks were strong enough to compete with their Scottish counterparts.

Circumstances deteriorated completely when the Clydesdale Bank opened three branches in northern England in 1874.³ Facing the Scottish invasion of their countryside, the English country banks, which were obviously inferior to the Scottish joint-stock banks in all terms of capital, deposits and branch network, must have been afraid that the Scottish banks would deprive them of their banking business. Indeed, the Clydesdale invasion of Cumbria took place because of its need to finance the iron trade which was developing between the West and South West of Scotland and Cumberland.⁴ Naturally, the English country banks joined forces to raise strong objections and held "a very large meeting of English Country Bankers from every part of the country."⁵ Moreover,

1. U.B.H.C., -/2/1875.

2. Appendix II.

3. J.M. Reid, 1938, p.164.

4. M. Gaskin, 1960, p.447.

5. Minute of Meetings of Bank Managers (Scotland), 13/4/1874.

See also *ibid.*, 23/2/1874.

the English banks proceeded to put pressure on George Goschen, the Chancellor of the Exchequer, who was forced to introduce a bill which would deprive the Scottish banks opening their branches in England of their note issues. The disclosure of Scottish balance sheets, begun in 1865, made it easier for the English banks to insist how greatly the Scottish notes were increasing especially in the early 1870's, as table 4.7 exhibits. The Scottish banks for the first time since the early 1840's "a possible, if not probable danger"¹ of losing their note issues.

Table 4.7

Growth Rate of Note Issue: Scottish Total and Union Bank,
1866-1879:1866;100

	<u>Scottish Total</u>	<u>Union Bank</u>
1866	100	100
67	102	109
68	104	107
69	100	118
70	102	91
71	103	101
72	113	129
73	134	138
74	132	130
75	125	113
76	124	109
77	120	122
78	118	115
79	107	111

Sources: S.G. Checkland, 1975, table 44. U.B. Annual Reports.

Confronting this dangerous situation, the Scottish banks took two steps. On the one hand, they argued for their right to issue, citing other examples such as the Irish, India and Colonial banks though, at the same time, they brought pressure on the Clydesdale

1. A letter from the chairman of the committee of English country banks, in; Minute of Meetings of Bank Managers (Scotland), 13/4/1874.

Bank not to show further aggression. Fortunately for the Scottish banks, the Goschen bill was dropped, and the subject was sent to a Select Committee of 1875 which also failed to report. By their joint effort the Scottish banks were again successful in protecting their note issues.

However, on the other hand, efforts to mitigate the published amount of the Scottish notes were made in two ways. In the first place, some of the Scottish banks agreed to issue drafts on each other which would take the place of their notes. The Union Bank made arrangements with the Aberdeen Town & County, the British Linen, the Bank of Scotland and the Clydesdale to this effect.¹

In the second place, in a more general and efficient way, the Scottish banks agreed to do a daily exchange of notes, the announcement of which was issued in November 1875,

"It has been arranged that in future, and until further notice, in every town in Scotland, where there are two or more Banks represented, there shall be an Exchange of Notes daily, Monday excepted, with a second exchange on Saturday afternoon ... The balance arising on their exchanges will be settled daily by draft on Edinburgh.... The objects of the daily exchange are;

- I. To prevent the circulation throughout the week and the figures in the published balance sheets of the Banks, being unduly swelled by the notes in the hands of other Banks, and
- II. To economise the working stock of notes required to be kept on hand at the various offices of the Banks."²

The result of the two steps is clearly seen in table 4.7, which shows decreases of 27% in the growth rates of note issues in both cases of the Scottish total and the Union Bank from 1873 to 1879.

The decline in the growth rate of the Scottish notes indicated that their significance in Scottish banking was changing, or had already changed. In April 1875, when the Select Committee of 1875

1. U.B.G.C., 21/8/1874 and passim.

2. U.B.H.C., 25/11/1875.

was about to start its investigation into note issues, the Scottish bank managers thought that,

"The right of issue enjoyed by the Scots Banks ... is a very valuable one both to the Banks and to the country, Its value does not now consist to any great extent in the profit accruing to the Banks from the actual circulation; it rests in the right to issue notes to such an extent as the public may at any time require/subject always to immediate convertibility into coin/whereby the Banks are enabled to carry on business at upwards of 800 Branches without the large extraction of Capital which the use of any other circulating medium would entail."¹

Indeed, the profitability of note issuing was enjoyed primarily by private banks and provincial banking companies, which had by this time entirely gone. The proportion of notes in circulation in the total Scottish liabilities had already diminished to 6% in 1850 and remained around this figure in the years of 1866/1879. In particular, the Union Bank had its notes in circulation of £178,000 in 1831 - 24% of its total liabilities, and the proportion of notes in its total liabilities reduced to 6.8% on average between 1866 and 1879. The predominance of large-scale joint-stock banking with a tremendous network of branches to gather deposits changed a feature of the structure of Scottish bank liabilities, and the spreading use of cheques was increasingly taking the place of notes. However, it was also true that the Scottish note issues were larger than their Irish counterparts and helped the Scottish banks to economise their use of gold and silver coins as their managers suggested.²

Over the years of the conflict between Scottish and English banking, the Clydesdale Bank showed remarkable initiative under the managership of George Readman, even considering amalgamations with at least three banks in the West of England and opening a London office in December 1877.³ The Clydesdale Bank seemingly

1. Minute of Meetings of Bank Managers (Scotland), 30/4/1875.

2. U.B. Annual Reports. R.H.I. Palgrave, 1903, pp.118-123.

S.G. Checkland, 1975, p.423, tables 15 and 44. C.W. Munn, 1981, pp.143-4.

3. J.M. Reid, 1938, pp.168-170. M. Gaskin, 1955, pp.67-8.

M. Kita, 1976.

grabbed the initiative from the senior Glasgow bank, the Union, which, following the Clydesdale Bank, began preparations for opening a London office as late as in December 1877.

The London office of the Union Bank at last opened its doors in March 1878 with a staff of twelve whose former occupations are shown in table 4.8. Notably, half of the staff was recruited from other banks, particularly from the overseas banks. This must have been due to the character of the London business which required special expertise in international banking business. As

Table 4.8

London Office Staff in March 1878

<u>Officer</u>	<u>Former Occupation</u>
1. Manager (J.A. Fradgley)	Discount Dept. of Bank of England
2. Assist.Manager (J.E. Murray)	Leith Agent of Union Bank
3. Cashier (F. Hart)	City Bank, Alliance Bank, London Bank of Mexico, Bank of South America
4. Accountant (W. MacMillan)	National Bank of Scotland
5. Senior Clerk (O.I. Baggally)	London Bank of Mexico
6. do. (W.I.P. Robinson)	Unknown
7. do. (J. Neville)	Glasgow Head Office of Union Bank
8. do. (A.B. Shand)	Merchants Bank of Canada
9. Junior Clerk (unknown)	Edinburgh Head Office of Union Bank
10. do. (unknown)	Coatbridge Branch of Union Bank
11. Apprentice (unknown)	
12. do. (unknown)	

Sources: U.B.M., 19/12/1877 and passim.

a result of the institution of another managership at the London office, the Glasgow manager was first termed 'general manager'.¹

Simultaneously with the opening of the London office, the Union Bank made three arrangements which were indispensable for the operation of the London business. Firstly, the Bank proposed that,

1. Appendix II.

"the Bank of England be requested to open two accounts of the Bank, one for the Head Office at Glasgow to be operated by drafts from Glasgow and Edinburgh, and from such of the Bank Branches, and a separate account for behoof of the London Branch."¹

Drafts were to be signed by any of two of Gairdner (general manager), A.B. Henderson (inspector), J.A. Fradgley (London manager), J.E. Murray (London assistant manager) and W. MacMillan (London accountant).

Secondly, the Bank informed the agents that,

"In the event of your having occasion to draw on London at a currency after date, you will draw on our branch there, instead of on Messrs. Glyn & Co. as hitherto.

In the event of your being asked for a draft on a London banker, other than ourselves/whether payable on demand or at a currency after date/, you will in that case draw on the Bank of England."²

However, there remained certain customers who preferred to "obtain drafts on a London West-End Banker "³ who was doing business with land lords.⁴ With regard to this kind of customer, the Union Bank allowed its agents to draw on Coutts & Co.

Thirdly, the Union Bank granted power of attorney regarding "dividends and transfers of public stocks &c" to Gairdner, Fradgley, Murray, Henderson, J. Affleck (Glasgow assistant manager) and A. Butter (Edinburgh manager).⁵ The grant was executed for the purpose of making transactions of Consols and other securities more conveniently as well as speedily. Consequently, the Union Bank of Scotland directly and firmly connected with the London money market.

1. U.B.M., 20/3/1878.

2. U.B.M.C., 28/6/1878.

3. Ibid., 9/8/1878.

4. L.S. Pressnell, 1956, p.82.

5. U.B.M., 30/5/1878.

CONSOLIDATION OF THE ORGANISATION

1. Charles Gairdner, the General Manager

After the death of Sir Adam Hay, the most influential director, in 1867, there survived only one person of the late partners of Sir William Forbes & Co. in the directorate of the Union Bank, D. Anderson, and, as a result, the number of directors was reduced from twelve to ten in May 1869. However, the contract of co-partnery still stipulated that "the surviving partner of the late firm of Sir William Forbes, James Hunter & Company, shall be re-eligible"¹ and accordingly that two of the directors should go out of office every year by rotation. The two stipulations ceased to exist in 1874 when any of the retiring directors was to be eligible for re-election and three years afterwards D. Anderson retired from active business. Thus, the late partners of the fine firm of Sir William Forbes & Co. entirely disappeared from the directorate, just a year before the general crisis of 1878.

From 1869, the usual board of directors was to consist of five each from Glasgow and Edinburgh, an example of which is shown in table 4.9. Under the new directorate, the Glasgow directors divided

Table 4.9

Directorate, 1869

1. D. Anderson,	of Moredun,	Edinburgh.
2. J. Buchanan,	Cadder House,	Edinburgh.
3. C. Campbell,	of Colgrain,	Glasgow.
4. R. Dalglish,	of Kilmardinny,	Glasgow.
5. A. Galbraith,	Manufacturer,	Glasgow.
6. J. Hanna,	Merchant,	Glasgow.
7. D. Horne,	W.S.,	Edinburgh.
8. F. Maxwell,	Insurance Broker,	Glasgow.
9. F. Pitman,	W.S.,	Edinburgh.
10. D.B. Wauchope,	Merchant,	Leith.
11. C. Gairdner,	Manager,	Glasgow.

Sources: U.B. Annual Report, 13/5/1869. R.S. Rait, 1930, pp.378-381.

1. Appendix II.

themselves into two sub-committees of "A" and "B" in June 1872, each of which the Glasgow manager, of course, attended. Although the minute of June 1872 is missing, the duties of each committee are known from the later minute which explained that,

"A; for the purpose of taking cognizance of the advances by way of discounts, cash credits, overdrawn accounts and loans on stocks and other securities at the head office and branches in Glasgow.

B; for the purpose of taking cognizance of the branches generally and the accounts at Glasgow other than those placed under sub-committee A".¹

The division of duties was mainly regional, that is, Glasgow and the rest, and the A committee was also to be responsible for revision of salaries. Nevertheless, this division was rather ambiguous. The A committee raised a point regarding a branch in Perthshire, whose direct supervision had already been transferred to the Glasgow head office in 1866, and the B committee, too, frequently had discussions on the subject of salaries and accounts at the Glasgow town branches.² Furthermore, the minute book of the A committee tended to be brief, recording from time to time no more than attendance. The A committee does not seem to have done much, at least in this period.

One of the main duties of the B committee was inspections of branches all over the country, which will be discussed presently. Another important duty was the supervision of the conduct of business at the Glasgow head office. When the Bank suffered heavily from the Collie fraud in 1875, the B committee recommended a change in the system of how the higher staff conducted the business of the head office, saying that,

"Had under consideration the arrangements of the discount department of the head office, and in order to the (sic) assistant manager and cashier being relieved as far as possible of transactions of minor importance and to their time being made more available for superintending the

1. U.B.M., 25/4/1877.

2. U.B.M.A., 4/1/1878. U.B.M.B., 14/5/1873 and passim.

discount of bills and the general business of the office, authorise the two chief clerks in the discount department to pass cheques and cash orders presented by the Bank's customers; it being an instruction that they are to consult the assistant manager or cashier in all cases of an exceptional kind of important account."¹

The organisation of the Union Bank, undergoing difficulties, was, thus, approaching the modern system in that the higher staff was relieved of less important works and concentrated on the supervision of the lower staff. The hierarchy of the Union Bank organisation became more powerful.

At the top of the hierarchy came the general manager, Charles Gairdner who attended not only all committees at the Glasgow head office, but also the Edinburgh committee from 1869 when the contract of copartnery first stipulated a quorum of the meeting of the board to be half of the directors.² This stipulation suggests that a small attendance at the board could decide the affairs of the Union Bank, thus effectively controlling its conduct, and it was, of course, the general manager, Gairdner, who usually attended all committees.³ Consequently, it could be argued that Gairdner, the choice of the Edinburgh directors, especially the partners of the late firm of Sir William Forbes & Co., succeeded to the role played by them, effectively presiding over the board of directors. Indeed, Gairdner's policy, caniness, became more evident in every respect of the business, as we have already mentioned. Gairdner was becoming the most distinguished manager which the Union Bank of Scotland had ever had.

2. The Further Consolidation of Branches

Intensified inspections of branches in the North, East and Central regions continued in this period. From 1866 to 1870, Gairdner, together with two to three directors, visited the branches

1. Ibid., 24/11/1875.

2. Appendix II. U.B.M.E., 9/5/1870 and passim.

3. See chapter 5.5.

in the three regions at least once a year.¹ From 1870 on, the supervision of branches was put under the charge of the B committee at the Glasgow office, which, selecting some twenty branches on one occasion, had inspectors investigate them closely.²

In the course of these inspections, agents were also subjected to scrutiny, and, at least in the North, four of them were dismissed; the Banchory agent replaced by his accountant, the Ballater agent by a member of the Glasgow inspectorate, the Aberdeen West End agent by a clerk of the Whitehaven Joint Stock Bank³ and someone unknown. Consequently, losses in the North diminished remarkably as table 4.10 exhibits.

Table 4.10

Regional Proportions of Losses at Branches, 1866 - 1879¹

	<u>Aberdeen</u> ²	<u>Perth</u> ³	<u>Edinburgh</u>	<u>Glasgow</u>	<u>Total Amount</u>
1866	61.2%	0.5%	17.6%	20.7%	£5,367
67	25.2	0.7	17.9	56.2	6,737
68	8.6	-	15.0	76.4	6,342
69	21.1	-	7.7	71.2	8,951
70	11.1	-	39.1	49.8	2,502
71	5.3	-	2.2	92.5	2,380
72	23.5	-	62.8	13.7	14,190
73	13.9	-	28.4	57.7	1,640
74	0.8	-	5.0	94.2	15,153
75	0.6	-	1.9	97.5	27,688
76	3.0	-	14.4	82.6	4,127
77	22.3	-	19.0	58.7	5,497
78	6.3	-	14.5	79.2	5,948
79	3.9	-	13.2	82.9	18,767

Notes: 1. Division of region as of table 3.5.

2. Accounts consolidated with those of branches under the Glasgow head office in 1880.

3. Accounts consolidated with those of branches under the Glasgow head office in 1866.

4. Date as in April each year.

Source: U.B. (Glasgow), Abstract Profit and Loss Account Branches.

1. U.B.M., 17/8/1868, 29/9/1869, 25/5/1870.

2. U.B.M.B., 28/8/1872 and passim.

3. U.B.M., 23/8/1873, 17/12/1873, 9/12/1874, 30/8/1876, 6/12/1876.

As table 4.10 shows clearly, branches under the charge of the Glasgow head office became a main source of losses particularly from the end of the 1860's. Irregularities were reported especially from the West and South East; Lochgilphead, Paisley, Stewarton, Govan, Glasgow St. Vincent Street, Greenock and Peebles. Details of the cause of losses are not known. It might be construed that losses in the West were inevitable because of the large business done by removing resources from the North and East.¹ The case of the Peebles branch, however, seems to have a different reason.

The Peebles branch was one of three in the South East of Scotland where the development of the branch network of the Union Bank was far behind the rest of the mainland, except for the Highlands. All of the three branches were created between 1844 and 1858 when the Union Bank was rapidly growing. In this period, the branches in the South East, especially at Peebles, continuously encountered difficulties which probably resulted from competition with the Edinburgh banks.² In 1872, the board resolved that,

"Disappointment was expressed at the want of progress in the business of agency at Peebles; and the manager was instructed to see the agent on the subject."³

None the less, the Peebles agent "was not able to hold out any proposal of improvement in the business of the Branch,"⁴ which continued to deteriorate. Eventually in 1880, the Peebles branch, together with the other two in the South East, was withdrawn.

The Union Bank increased the number of branches from 99 in 1865 to 125 in 1879.⁵ More than four fifths of this creation was due to two circumstances. In 1878 when the City of Glasgow Bank collapsed and the Caledonian Bank temporarily closed its doors, the Union Bank took up four branches of the City Bank and set up a branch at Inverness.⁶ More remarkably, fifteen branches were created

1. See chapter 4.2(1).

2. See chapter 5.4(2).

3. U.B.M.B., 3/10/1872.

4. Ibid., 13/11/1872. See also ibid., 10/9/1873.

5. U.B. (Glasgow), Record of Salaries.

6. Minute of Meetings of Bank Managers (Scotland), 7/10/1878.

U.B.H.C., 28/12/1878.

in the cities of Glasgow, Edinburgh and Aberdeen.¹ The increase of town branches was admittedly due to the concentration of population in the big cities. Thus, the branch establishment of the Union Bank was approaching a turning point in the 1870's under the policy of consolidation pursued by Gairdner.

3. Recruitment, Transfers and Salaries of the Staff

As the Union Bank of Scotland grew older, so did the staff. New blood had to be infused, but succession from older to younger staff was not always successful.

The Greenock branch, which was the oldest and one of the most important in the West, was conducted by A. Anderson from 1844. In June 1867 when Anderson, 77 years of age, tendered his resignation, Gairdner and the directors were worried about the selection of his successor because the cashier there was also of too advanced an age to accept the agency.² Eventually, they asked their former inspector, J. Norwell, who had resigned from the service of the Union Bank, to accept the agency. Norwell ran the Greenock agency for two years before becoming the Edinburgh secretary in 1869.³

As a successor to Norwell, Gairdner and the directors appointed F.G. Bruce, Officer at Lerwick, who, however, caused a problem. Bruce was a foolhardy person who was repeatedly engaged in speculative transactions on the stock exchange, ignoring the warning of the board that,

"any person in the employment of the Bank engaging in speculative business on the Stock Exchange or otherwise, shall be liable to be summarily dismissed."⁴

Nevertheless, in May 1874, when Bruce was again found to have engaged himself in speculative business, the board curiously decided that,

"Directors, while expressing strong disapproval of Mr. Bruce being connected with such business after the warning given

1. U.B.G.C., 3/1/1872 and passim.
2. U.B.M., 5/6/1867.
3. Ibid., 3/7/1867, 15/12/1869.
4. Ibid., 27/3/1872.

to him by the manager, yet, in the circumstances disclosed in the regret, did not think it necessary in this case to carry out the Rule that any servant of the Bank so acting should be dismissed."¹

Though details of "in this case" are not known and "Mr. Bruce" must have been a competent person in a sense, the fact that he was not dismissed suggests that Gairdner and the directors were in a certain difficulty in finding a more suitable agent for the old and important branch.

When suitable officers were not found among the staff, they did not hesitate to take over or re-employ the staff of other banks. In the spring of 1874 when the Aberdeen cashier, David Wyllie, was retiring, they appointed in his place J. Cook, a member of the staff of the Oriental Bank at Calcutta.² As we have already seen, half of the senior staff of the London office was recruited from other banks. Moreover, in 1878, the Union Bank, in common with other Scottish banks, took up the late agents and accountants of the collapsed City of Glasgow Bank.³ On the other hand, the Union Bank had to face the situation of its staff being re-employed by other banks. The first Glasgow assistant manager, James Syme, resigned in 1867, after only two years' service, to become manager of the British Linen Co.⁴ In one case, a young and competent accountant at Tillicoultry, who entered the Union Bank at Crieff as an apprentice, aet. 16, was re-employed in 1876 by an English joint-stock bank.⁵ Indeed, the progress of English joint-stock banking, and probably its overseas counterpart, brought about an increasing need of qualified clerks, such as those trained by Scottish banking whose technology was regarded as the most advanced, by contemporary bankers.⁶ These circumstances must have encouraged the Scottish bank clerks to create under the initiative of A.W. Kerr, banker and banking historian, the Institute of Bankers, the first example of

1. U.B.M., 3/6/1874.
2. Ibid., 29/4/1874.
3. U.B.G.C., 5/10/1878, 11/10/1878, 27/2/1879.
4. U.B. Annual Report, 9/5/1867.
5. U.B.S.B., 28/11/1876.
6. G.M. Bell, 1855, pp.161-2.

its kind, in order to enlighten themselves, and to which the Scottish banks contributed.¹

General circulars of the Union Bank provide us with the sources from which its agents were supplied. Of some thirty cases which can be detailed, the Bank selected in twenty cases other agents, accountants at other branches and the staff of the Glasgow head office as successors to the outgoing agents.² Secondly came the cases where accountants at the same branches were promoted to agents.³ Succession from father to son, or between brothers, and appointments of local gentlemen, such as the writer and solicitor, were seen only in three and two cases respectively.⁴

The increasing tendency to transfer agents from one place to another can be exemplified by two persons, that is, J.D. Sharp, pro-agent at the Glasgow Anderston branch in 1877 and H.H. Norie, Edinburgh manager in 1881 (see Map 4.1). The first known career of Sharp was as accountant at Blairgowrie from where he was brought up to Rosehearty in 1874. Two years afterwards, he was appointed teller at the Aberdeen office and was promoted to be Aberdeen George Street agent. In only one year or so, he was transferred to be the Auchterarder agent and was eventually promoted to be pro-agent at Anderston in Glasgow.⁵ Norie was joint-agent at Kilmarnock where he assisted the senior agents, Gairdners, who were of an advanced age. When the Perth cashier, D. Craigie, died in 1866, Norie succeeded him and was later promoted to Edinburgh manager.⁶

The transfers of the Bank staff suggest that the large scale joint-stock bank, such as the Union Bank, must have done, or could do, without the local gentlemen of high status, at least in terms of agency. Consequently, it could be argued that the personal affairs of the large scale joint-stock bank were almost similar in the 1870's to those of the modern corporation.

1. A.W. Kerr, 1926, pp.241-6. S.G. Checkland, 1975, p.493.

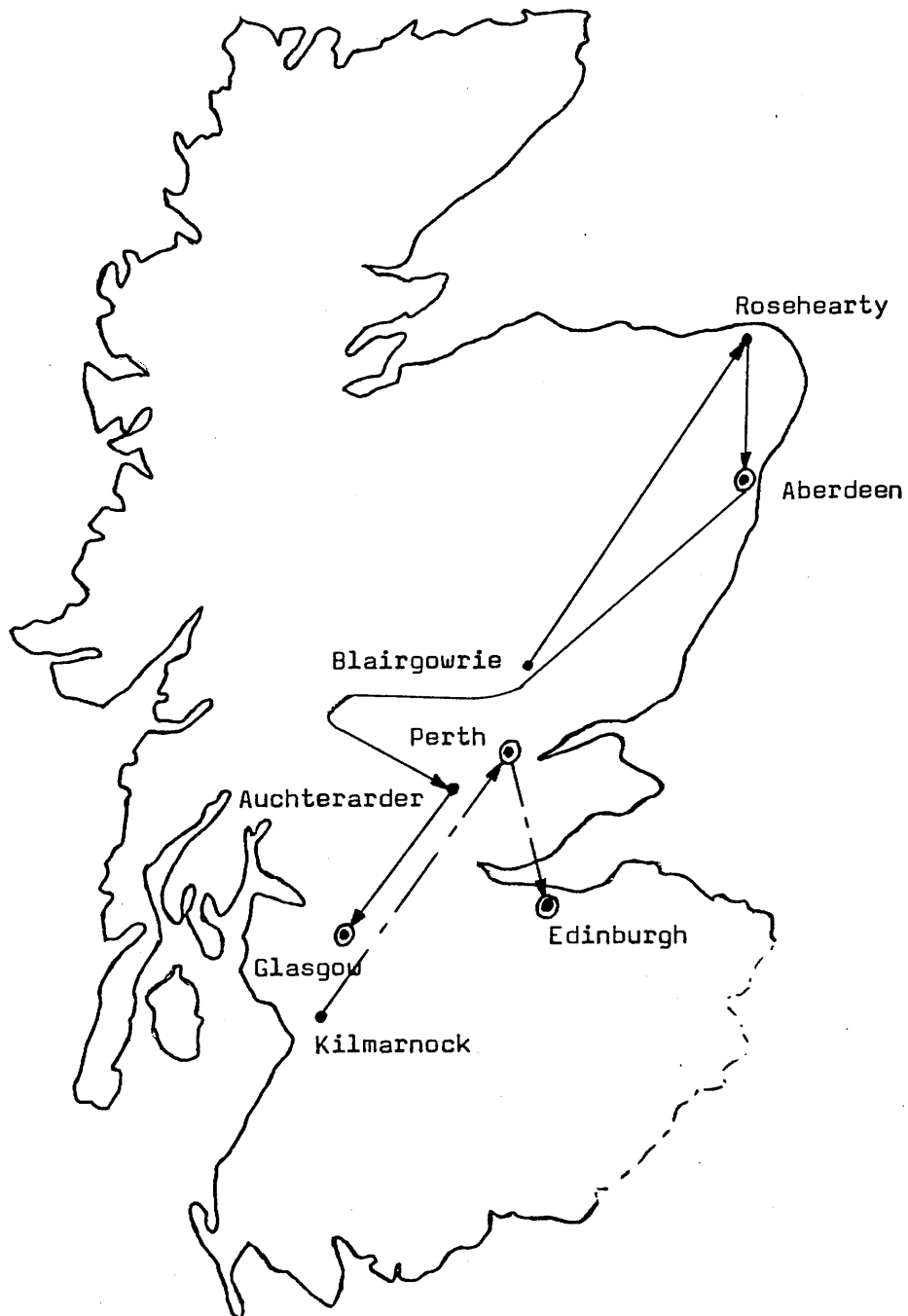
2. U.B.G.C., 16/1/1871 and passim.

3. Ibid., 31/1/1872 and passim.

4. Ibid., 28/10/1870, 3/12/1872, 28/10/1879, 22/9/1871, 3/7/1878.

5. U.B.M., 8/4/1874. U.B.G.C., 5/5/1876, 6/11/1877.

6. U.B.M., 25/4/1866.

Map 4.1Transfer of Staff

Notes: 1. _____; J.D. Sharp.
2. _____; H.H. Norie.

Sources: U.B.M. U.B.G.C.

Along with the disappearance of local dignitaries, there was emerging a sort of elite course for the staff. The Edinburgh manager, H.H. Norie, was promoted from the Kilmarnock agency; the Glasgow assistant manager, J. Affleck, from the Paisley agency, the Glasgow secretary, J. Gray, from being Perth secretary, the Edinburgh secretary, J. Norwell who was the first full-time inspector, from the Greenock agency and the London assistant manager, J.E. Murray, from the Leith agency.¹ The five branches at Kilmarnock, Paisley, Perth, Greenock and Leith must have been highly regarded and considered as a highway to better things by the Union Bank staff, leading to posts at the two head offices, the Aberdeen and London branches. Inside the Glasgow head office, the inspectorate was apparently an entrance to the higher posts, as the case of Norwell suggests. In December 1875 when the Glasgow secretary resigned and the accountant was promoted to assistant secretary, the senior sub-inspector succeeded to the office of accountant.² Officers of the inspectors' department were also appointed as interim agents while new agents were being selected. Indeed, the large joint-stock bank with the wide network of branches offered a greater chance of promotion for the clerk, compared to other industry,³ and a higher status for the inspectorate.⁴

As the number of the staff increased, so did the amount of salaries as table 4.11 sets out. The amount of salaries at the Glasgow head office increased by more than 150% in the thirteen years which was far larger than the growth rate in the late 1840's and early 1850's (see table 2.8). In addition, in November 1872 when salaries were raised by 3.9%, the board had to allow bonuses to the staff as a head office circular stated that,

"the directors in consideration of the enhanced cost of living, and of other exceptional circumstances affecting this year, have resolved to present the accountants, tellers

1. Appendix to U.B.M., -/5/1861. U.B.M. 1/5/1867. U.B.G.C., 13/12/1875. U.B.S.B., 14/5/1878.
2. U.B.G.C., 13/12/1875.
3. G. Anderson, 1976, p.24.
4. S.G. Checkland, 1975, p.490.

and clerks of the Bank with a gratuity of 15 per cent on the amount of their salaries, the allowance to be for this year only."¹

Table 4.11

Salaries at Glasgow Head Office, 1866 - 1879

	<u>Amount</u>	<u>Growth Rate:1866;100</u>
1866	£14,681	100
67	15,861	108
68	16,481	112
69	16,842	115
70	17,883	122
71	18,618	127
72	19,318	132
73	19,914	136
74	21,153	144
75	21,660	148
76	21,991	150
77	21,592	147
78	22,300	152
79	22,881	156

Note: Date as in April each year.

Source: U.B.P.L.

The special allowance of bonuses was probably a result of pressure from the staff who had had the experience of collective bargaining in the early 1850's and who were suffering from the rising cost of living.²

The increases in salaries and probable pressure from the staff resulted in Gairdner and the directors considering the establishment of a certain scale of salaries on the model of Glyn & Co. This was,

1. U.B.H.C., 13/11/1872.

2. B.R. Mitchell and P. Deane, 1976, p.343. See also chapter 2.3(3).

however, delayed and did not come into existence until the following period.¹ Consequently, revision of salaries continued to be annual duty of the B committee at the Glasgow head office, or a specially appointed sub-committee.²

4

THE UNION BANK OF SCOTLAND IN THE GENERAL CRISIS OF 1878

At the end of September 1878, the manager of the City of Glasgow Bank confessed at a meeting of the bank managers that the directors of his bank had been deceiving the public by falsifying the balance sheets over the years and asking assistance from other banks. On 1 October, the City Bank stopped payment, which precipitated a general crisis. The investigation, held immediately after the stoppage, revealed that the falsification of balance sheets had been made systematically and that the City Bank had committed itself to large scale international financing, doing two kinds of business in which even the Western Bank of Scotland had not been engaged - investment in an American railway company and financing of large scale speculation in New Zealand. Moreover, the City Bank had lent the tremendously large amount of £6,017,000 to four firms; £2,438,000 to J. Morton & Co., £1,833,000 to Smith, Fleming & Co., £1,269,000 to J.N. Fleming and £477,000 to J. Innes Wright & Co.³ In respect of the systematic falsification of balance sheets and large speculative financing, the failure of the City of Glasgow Bank was, indeed, "the greatest disaster that had ever befallen the commercial community of Great Britain."⁴

Charles Gairdner and the directors immediately embarked upon emergency measures. In the first place, they investigated as soon as possible the state of gold held in London, which was brought up

1. U.B.M.B., 25/6/1873.
2. U.B.M., 20/6/1866 and passim. U.B.M.B., 14/5/1873 and passim.
3. Minute of Meetings of Bank Managers (Scotland), 1/10/1878.
Anon., 1879, City of Glasgow Bank Publications, pp.5-8.
R.E. Tyson, 1974, p.126. S.G. Checkland, 1975, pp.467-471.
4. C.A. Oakley, 1946, p.150.

to Glasgow on 8 October. At the same time, they were disposing of Consols and U.S. bonds, the proceeds of which would provide for an anticipated run on them. From 2 to 18 October, the Union Bank sold Consols and U.S. bonds for £1,190,000.¹ The large holding of these securities, the growth rate of which was the most remarkable feature of the Union Bank in the 1870's, was, thus, instrumental in strengthening its cash on hand.

In the second place, the Union Bank dispatched two confidential letters to the agents, the first of which read,

"You will please insert in the Weekly Statement of Company's Notes and Coin on hand, the amount of Notes of the City of Glasgow Bank."²

It turned out that the Union Bank held £4,000 of City Bank notes in December 1878, the amount of which increased to £82,958 in April 1879.³ The increase was due to the agreement between the bank managers with regard to retiring the notes on behalf of the City Bank.⁴ The second letter was more serious as it read,

"I am instructed to inform you that we are at present very desirous of restricting all advances as much as possible, and this course is also being followed by the other banks. You will please be so kind as keep this in view in respect of the accounts at your Branch. (signed) Secretary."⁵

As a result, from the middle of October to 13 November 1878, no advance of any amount was made at least at the Glasgow head office except to one customer, the New Zealand and Australia Land Co., whose financial support fell upon the Union Bank and several other Scottish banks because of the dropping out of their main bank. The Union Bank allowed an emergency loan for £83,000.

1. U.B.M., 2/10/1878 and passim.
2. U.B.H.C., 3/10/1878.
3. U.B. Annual Report, 23/4/1879.
4. Minute of Meetings of Bank Managers (Scotland), 1/10/1878.
5. U.B.S.B., 12/10/1878.

In the third place, Gairdner and the directors queried as to whether any shareholder of the Union Bank held stock in the City Bank. If there had been many double shareholders, it was anticipated that the Union Bank would be deeply involved in the fraudulent case of the City Bank. A letter of investigation instructed that,

"I shall thank you to send me a list of the names and addresses of any persons who are customers, or under obligations to, this Bank at your Branch, who are holders of Stock in the City of Glasgow Bank, either or as Trustees. (signed) Secretary."¹

Any shareholders, who became bankrupt, were to lose the right of membership and had to dispose of their stock within six months according to the 28th article of the contract of copartnery. They were removed from the Union Bank by the middle of December 1878.²

Despite every means conceivable, the Union Bank was still not safe and rumours about a possible danger to the Bank were heard, especially in the East of Scotland. The Edinburgh office had to cope with them, - dispatching a private letter to agents under its charge that,

"It has been brought under the notice of the Banks that some of their agents have been heard, since the failure of the City of Glasgow Bank, to express, either openly or by insinuation, some degree of distrust of one or other of the Banks represented in their district. Whether the motive for such expressions may have been to attract business from rival establishments, or whatever else it may have been, the Banks consider it their duty to announce their disappointment in the strongest possible manner."³

Although the agents were addressed by "the Banks", one could venture to say that the only surviving large scale Glasgow-based Union Bank was exposed to a more critical situation than any other.

1. U.B.H.C., 28/10/1878.

2. U.B. Special Report, 16/12/1878.

3. U.B. (Edinburgh), General Circular, 31/10/1878.

Indeed, while the Union Bank was restricting authorisation of advances, offers of Bank stock started as they did in the 1857 crisis. From 20 November to 11 December 1878, the stock offered amounted to £18,700, that is, 374 shares of £50 paid, which was already more than one fourth of the total offered stock in the 1857 difficulties. The situation was critical, and Charles Gairdner and the directors were eventually forced to issue a special report, an unprecedented step in the Bank's history, which stated that,

"The Directors deem it right to make a Special Report to the Proprietors on the extent to which their interests have been affected by the suspension of the City of Glasgow Bank and subsequent failures, and this more particularly as four months must elapse before the Annual Meeting is held.

The amount due to the Bank by the City of Glasgow Bank, exclusive of the Notes retired in the public interest, is only £4,000. These claims, it is believed, will be paid in full; and the Directors have the satisfaction of informing the Proprietors that, on a careful estimate of all other bad and doubtful debts, the provision required from the profits of the current year is under £3,700.

The Directors believe it will also be satisfactory to the Proprietors to receive at this time an explicit assurance that the Accounts of the Bank are closely and constantly scrutinized by them; that the Advances are safe and well distributed; that losses are invariably provided for as they arise; that the Securities and Investments are of greater value than they stand at in the Books; and that the Bank's Capital of £1,000,000, and Rest of £330,000 are intact. The Proprietors will have observed that an unusual fall has recently taken place in the market price of the Bank's Stock. In connection with this, it is right to mention that a considerable amount of the Stock offered for sale belongs to Proprietors who, unhappily for themselves, are involved as Shareholders in the City of Glasgow Bank. The Bank sustains no loss from this circumstance; and as sales are effected, this depressing influence will, no doubt, pass away.

The Directors have delayed issuing this Report until the effects of the commercial and financial disorder of October have been so far developed as to admit of the Board reporting with confidence on their bearing on the Bank.

Charles Gairdner,
General Manager."¹

As the report suggested, the considerable amount of offered stock between the middle of November and middle of December might be that of the unhappy double shareholders. As also suggested in the report, Gairdner closely and frequently examined the accounts, and, indeed, there remains no evidence of great risk in advances made by the Union Bank.² Arrangements regarding advances given to J. Morton & Co., which were not particularly for the Union Bank, had already been agreed to among the Scottish banks.³

In spite of the guarantee given in the special report, offers of the stock did not cease, even increasing as the annual meeting of 1879 was drawing nearer, as table 4.12 clearly shows. This

Table 4.12

Offers of Union Bank Stock¹ between November 1878 and April 1879

	<u>Value</u>	<u>Number of Shares</u>	<u>Offered Price</u>
November 1878	£6,700	134	£180-270
1st Half of Dec. 1878	12,000	240	176-181
2nd Half of Dec. 1878	10,655	213	160-190
January 1879	8,760	175	-
February 1879	7,500	150	-
March 1879	6,200	124	-
April 1879	31,675	6,335	165-190
Total	£83,490	7,371	160-270

Note: 1. 20,000 shares (10,000 stock), £50 paid.

Source: U.B.M., 20/11/1878 and passim.

1. U.B. Special Report, 16/12/1878.
2. U.B.M., 13/11/1878 and passim.
3. Ibid., 4/12/1878.

situation was extraordinary and far worse than in the 1857 crisis in which offers of the stock ceased in about three months.¹ The price of the offered stock slipped sharply down from £270 in November 1878 to £160 in December 1878 from which it had not recovered even by April 1879. The falling rate was more than 40% which was also worse than in the 1857 crisis and the largest among those of the Scottish banks.² This suggests that the public image of the Union Bank was seriously damaged by the general crisis of 1878 in which the proprietors, holding more than one third of the total shares, deserted the Bank. The public and those partners might consider that the large Glasgow-based joint-stock bank, especially in terms of number of branches, was 'jinxed', just like the Western Bank of Scotland and, therefore, that the next would have been the Union Bank. Gairdner and the directors sought to weather this terrible storm and resorted to an extraordinary step, that is, the adoption of an external audit system, without which the Union Bank might have been trapped by 'a jinx'.³

The general crisis of 1878 had a tremendous effect on Glasgow banking as diagrams 4.5 and 4.6 exhibit. In terms of total liabilities and profits, the proportion of Glasgow-controlled banking diminished by one third. Glasgow-controlled banking lost ground absolutely in this crisis and this undoubtedly marked a turning point in Scottish banking and a new supremacy of Edinburgh banking ensued. Consequently, it could be argued that the failure of another large joint-stock bank, following the experience of the Western Bank, finally deprived Glasgow of any possibility of becoming another financial centre of Scotland. The Union Bank of Scotland was, thus, forced to share the fate of Glasgow banking under the general managership of Charles Gairdner.

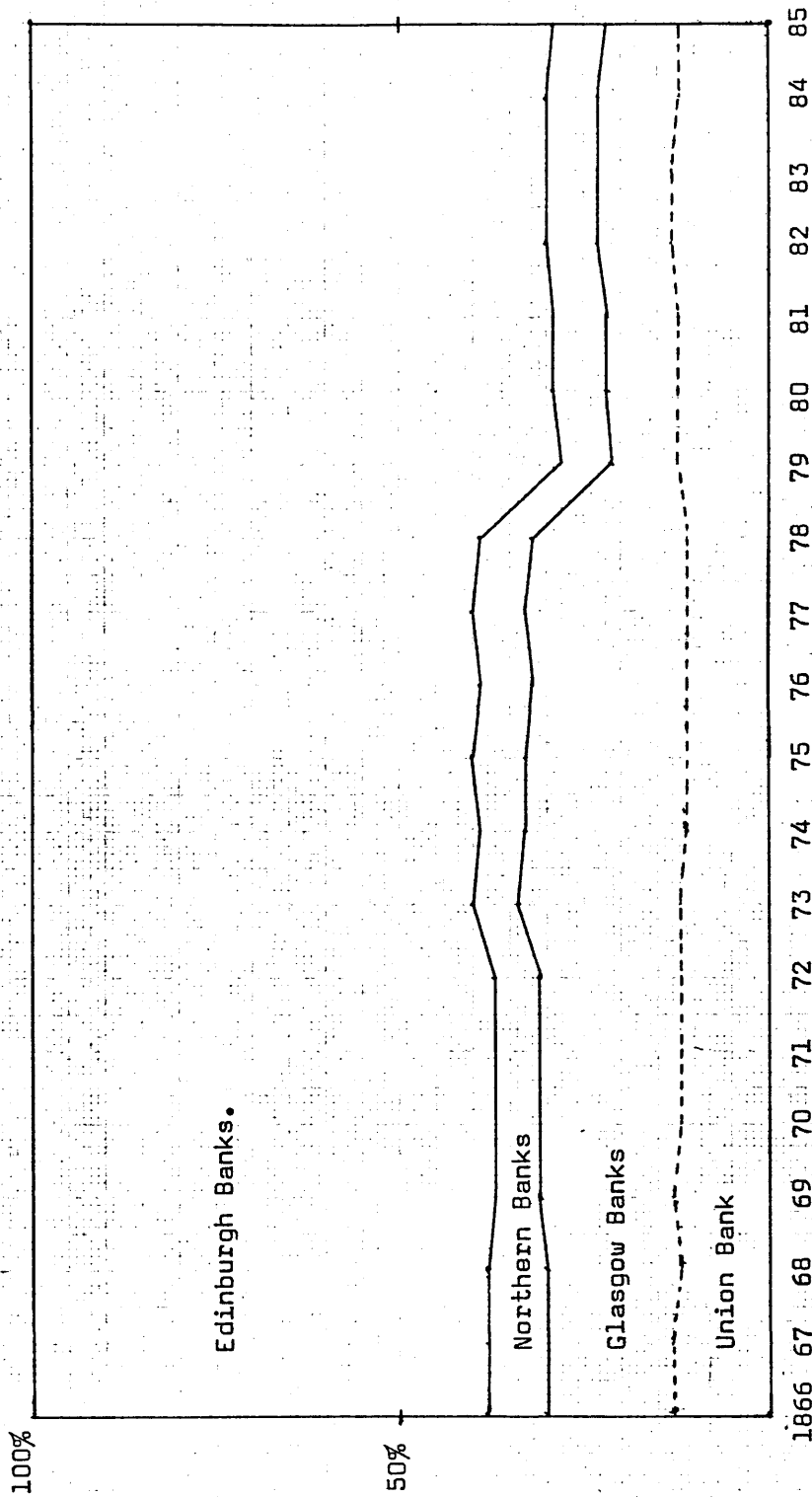
1. See chapter 2.5(2).

2. Anon., 1879, City of Glasgow Bank Publications, p.8.

3. See chapter 5.1.

Diagram 4.5

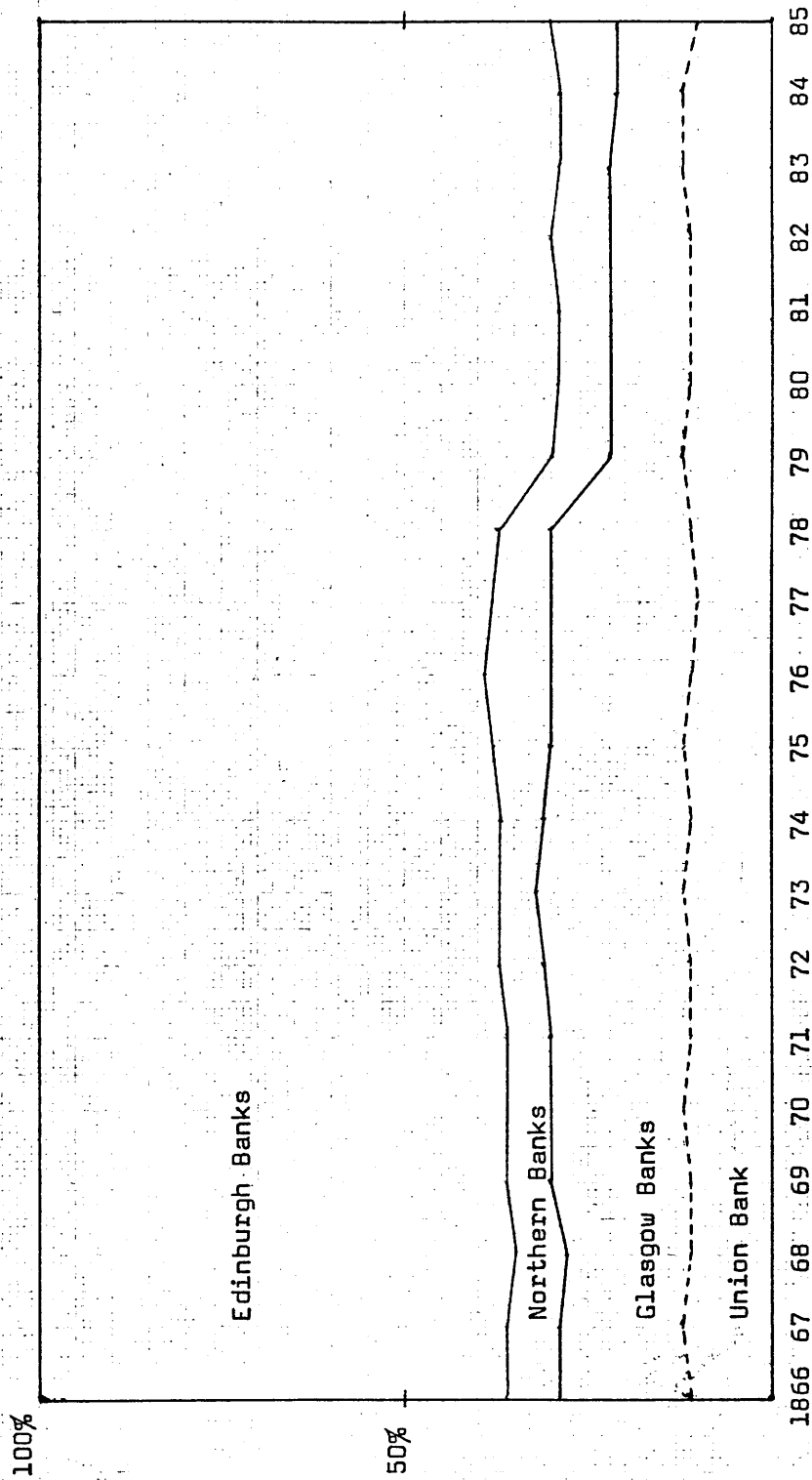
Proportions of Total Liabilities: Edinburgh, North and
Glasgow Based Banks, 1866 - 1885



Source: S.G. Checkland and A.B. MacDonald, 1973.

Diagram 4.6

Proportions of Profits: Edinburgh, North and Glasgow Based
Banks, 1866 - 1885



Source: As of diagram 4.5.

CHAPTER 5

STAGNATION, 1879 - 1885

The growth rates of total liabilities, deposits and advances of the Union Bank of Scotland in this period were well over the Scottish totals as diagrams 5.1 and 5.2 show. The rapid growth of investments, which was the remarkable performance of the Union Bank in the previous years, became common in Scottish banking during this period. Although the growth of total liabilities, deposits and advances began to lose ground from 1883 on, no extraordinary situation can be found in their movements. The only uncommon feature might be the sharp fall of profits from 1883 to 1885 which was a reflection of the real situation of the Union Bank.

Indeed, the years between 1879 and 1885 witnessed great difficulties. At the commencement of this period, Charles Gairdner and the directors had to cope with increasing offers of the Bank stock. Throughout almost the whole period, they had to support a firm of large shipbuilders, that is, J. & G. Thomson. These critical circumstances led them to resort to two extraordinary experiments, that is, the adoption of an external audit system and interference in the management of J. & G. Thomson.

1

THE ADOPTION OF AN EXTERNAL AUDIT

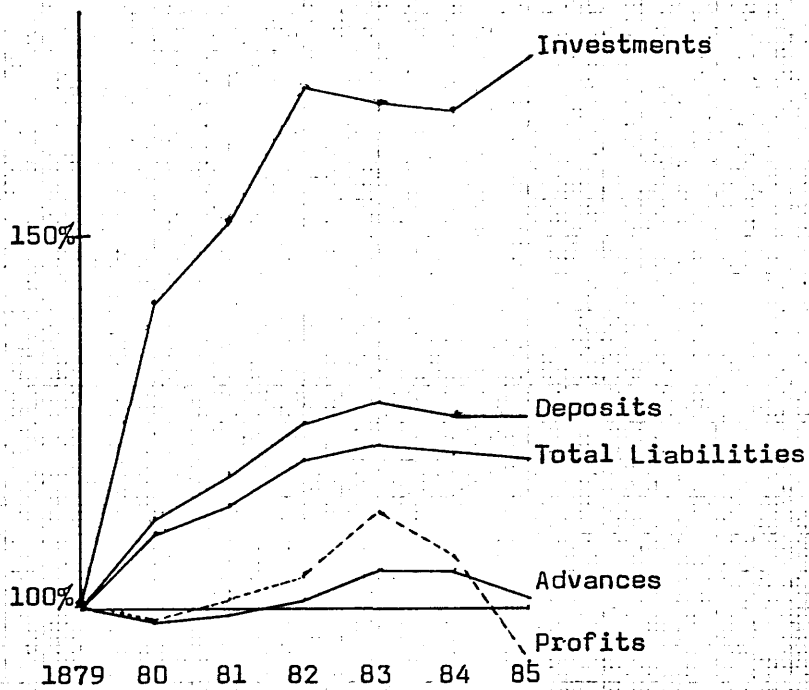
Prior to 1879, the Scottish banks in general voluntarily made audits of their accounts.¹ The Union Bank of Scotland in particular stipulated that;

"at the (annual) meeting, it (balance sheet) shall be laid down upon the table for inspection of the Partners, and the substance thereof read or stated by the Chairman; and it shall be in the power of each meeting, if they shall think fit, to appoint a private Committee, consisting of three Partners of the Company ... for auditing and reporting upon such yearly states, at a future general meeting to be called for the purpose."²

1. S.G. Checkland, 1975, p.479.
2. Appendix II.

Diagram 5.1

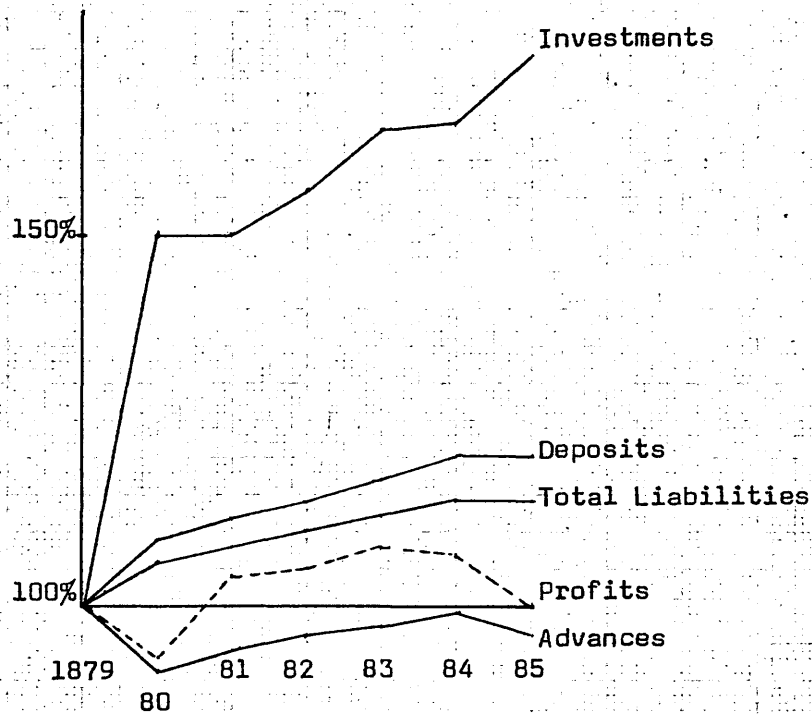
Union Bank; Growth Rates of Total Liabilities, Deposits,
Advances, Investments and Profits, 1879 - 1885



Source: S.G. Checkland and A.B. MacDonald, 1973.

Diagram 5.2

Scottish Total; Growth Rates of Total Liabilities, Deposits,
Advances, Investments and Profits, 1879 - 1885



Source: As of Diagram 5.1.

None the less, there is no record that even an internal audit was actually undertaken. Even in the aftermath of the 1857 crisis and Collie fraud, Gairdner and the directors did not face a critical situation which would necessitate an audit. The circumstances confronting them in early 1879 were totally different from any previous experience.

Examinations of all accounts, which were executed between the end of 1878 and the spring of 1879, revealed that there was no particular danger in lending. The special report was also, exceptionally, issued in December 1878, trying to persuade the shareholders to remain with the Bank. Nevertheless, these steps could not stop the tremendous offers of Union Bank stock, the largest of which was made in April when the annual meeting of 1879 was approaching. It was alarming. Gairdner and the directors resolved to take very strong measures to re-assure public opinion. They decided to adopt a compulsory external audit, which had already been suggested by journalists and some of the Scottish MPs in the aftermath of the failure of the City of Glasgow Bank.¹ On 9 April 1879, the board resolved to adopt the system, and Gairdner immediately sent a letter to the deputy chairman, H.E. Crum Ewing, of Strathleven, who was asked to take emergency action, stating that,

"they are serious that arrangements should be made to have the annual balance sheet now in preparation, submitted to independent auditors, and they hope that you, as the deputy chairman of the Bank, in the absence through ill health of the chairman, and thus the official representative of the proprietors, as distinguished from the board of directors, will kindly take the necessary steps to have suitable auditors appointed. On hearing from you with the names of the gentlemen you propose, I shall at once ask them to attend at the Bank."²

The deputy chairman at once nominated as independent auditors,

"two gentlemen who to the best of my judgment are well fitted to undertake the duties, and these are,

1. R.E. Tyson, 1974, p.137.
2. C. Gairdner to H.E. Crum Ewing, in; U.B.M., 10/4/1879.

Mr. William MacKinnon of M'Clelland, MacKinnon & Blyth; and Mr. James Haldane of Lindsay, Jamieson & Haldane, Edinburgh."¹

On receiving the nomination, the board soon carried a resolution in which they confessed their serious anxiety,

"1/That while the existing system of inspection maintained continuously throughout the year, is satisfactory to the board, there is no reason why an independent audit should not be made, provided it be entrusted to gentlemen qualified by status and experience for so confidential duty.

2/That the appointment of auditors of this description would be welcomed by the board as tending to strengthen and confirm the confidence of the proprietors in the management of the Bank."²

At the same time, the board obtained the oath of two auditors which read that,

"we will in no manner of way reveal directly or indirectly of the transactions of the Bank either on its own account or on behalf of its customers."³

Consequently, it took only three days for Gairdner and the directors to set the auditors to work. The speed with which the external audit system was established suggests that the whole process was pre-arranged, presumably by Gairdner, who had a surprisingly strong relationship with one of the auditors, W. MacKinnon.⁴ From this, it must be assumed that the external audit was not necessarily an independent audit. Indeed, MacKinnon, thereafter, deepened his involvement in the daily conduct of the Union Bank, exemplified by Thomson's affairs.⁵ Therefore, it could be argued that "auditing in the modern sense was practically non-existent."⁶

1. Ibid., 10/4/1879.

2. Ibid., 12/4/1879.

3. Ibid., 12/4/1879.

4. See chapter 5.5.

5. See chapter 5.3(2).

6. W.F. Crick and J.E. Wadsworth, 1958, foreward by R. McKenna.

The appointment of another auditor should also be subjected to our scrutiny because J. Haldane was one of the liquidators of the City of Glasgow Bank.¹ His appointment is, thus, considered to be quite similar to the experience of Gairdner himself who, being a liquidator of the Western Bank, was asked by the Union Bank to investigate its accounts, successfully confirming to the public the safety of the Bank. The same effect, as in the aftermath of the 1857 crisis, was obviously expected by Gairdner and the directors. It is hard to resist the conclusion that it was 'a put-up job'.

The response of the public to this venture was generally favourable to the Union Bank. The Times, for instance, reported that;

"The audit introduced appears to have been of a very thorough character and completely independent, and the Board deserves great credit for having this frankly met one of the most urgent of the popular demands in regard to banks."²

The Glasgow Herald, which itself was a shareholder of the Union Bank, also supported it saying,

"The object was to guarantee the shareholders against mismanagement, of which we have had such reckless specimens in the doings of Taylor, of the Western Bank, and of the Stronachs, of the City of Glasgow; as well as to protect the Directors from concealment on the part of the officials Till some better system of audit for Banks is invented, that adopted by the Union has the first claim to recommendation."³

It should be noted that the Economist was most sceptical, commenting that,

"a good system of accounts may exist with bad business."⁴

The Economist obviously had in mind the case of the Royal Bank of Liverpool, which earlier in 1860 adopted the external audit system

1. Anon., 1879, City of Glasgow Bank Publications, p.8.
2. Times, 24/4/1879.
3. G.H., 24/4/1879. See also Daily News, 24/4/1879, Pall Mall Gazette, 26/4/1879, Statist, 26/4/1879.
4. Economist, 26/4/1879.

but failed in 1876.¹

The external audit served its purpose for the public image was improved. One journal commented that,

"The City of Glasgow disaster has had less effect upon the Union Bank of Scotland than was to have been expected."²

Indeed, the market price of the Union Bank shares, for the first time since the autumn of 1878, showed a sign of strong recovery going up from £165 to £190 in a few days after the announcement of the adoption of the external audit.³

MacKinnon and Haldane inspected the accounts, books and all kinds of documents for nearly ten days giving ten suggestions to the Union Bank. As well as making suggestions like that "The Balance Sheet might ... be rather more detailed,"⁴ the auditors surprisingly 'interfered' in the ordinary conduct of banking business as the memorandum read that,

"II. Acceptances by the Bank; acceptances issued in Glasgow and London should be passed through the Books when issued as is done in Edinburgh. The acceptances at the Branches are made 'overdrafts'./has been accepted./

III. Marginal Credits; These ought to be bound up and numbered with progressive numbers in order that no blank forms may be improperly used .../has been accepted./

IV. Deposit Receipts; There ought to be special care in issuing the forms to the clerk/The accountant now takes charge of./ ...

VII. System of Audit in Cashier's Department; General Manager has had this matter under consideration and it is now to be dealt with/audit will be conducted by the Inspector of Branches./"⁵

1. S.E. Thomas, 1934, p.585. Even the Royal Bank of Liverpool could not claim to be the first in adopting the system. Beyond the Irish Sea, the Provincial Bank of Ireland appointed four auditors at its outset in 1825, though it is unknown whether or not they were outsiders. (J.W. Gilbert, 1836, p.46).
2. Pall Mall Gazette, 26/4/1879.
3. Scotsman, 24/4/1879.
4. U.B. (Glasgow) Auditors' Memorandum, 25/4/1879.
5. Ibid., 25/4/1879.

All suggestions made by the auditors were readily accepted by the board. It is probable that the general manager, Charles Gairdner, himself instigated the recommendations. He certainly co-operated with the auditors for he was aiming at disciplining the organisation by tightening up book-keeping procedures. He was a person of discipline.

It should also be noted that acceptances at the branches were to be booked as overdrafts. It might be considered by Gairdner that acceptance business, mainly unsecured, was to be judged as a risky business and, therefore, that a smaller amount of this business was more acceptable to the public. Indeed, the Glasgow Herald seems to have felt relieved when it found that,

"The acceptances by the Bank in Scotland and in London amount to £183,007, a very moderate sum, it must be admitted."¹

The change in the book-keeping probably accelerated the decrease of the amount of acceptances, which was falling considerably from 1879 to 1885 as table 5.1 sets out. Although the external audit

Table 5.1

Acceptance Business, 1879 - 1885

	<u>Amount</u>	<u>% of Total Liabilities</u>
1879	£183,007	1.7
80	189,785	1.6
81	167,915	1.3
82	191,914	1.4
83	111,858	0.8
84	70,619	0.5
85	85,166	0.6

Note: Date as in April each year.

Source: U.B. Annual Reports.

system was instrumental in recovering the public image of the Union Bank, it, unfortunately, forced the Bank to become more timid in pushing its business.

1. G.H., 24/4/1879.

It was also in the aftermath of the 1878 crisis that the seven Scottish joint-stock banks registered as limited companies. After the crisis, the seven banks became increasingly reluctant to adopt limited liability. They thought that limited liability might result in irresponsible banking thus destroying public confidence in the bank. In the meantime, the Gladstone government was preparing a bill which would enable joint-stock banks to avail themselves of limited liability. To this liberal policy of the Gladstone government, the three Scottish public banks, which had already claimed limited liability by virtue of their charters, raised objections, preparing their private bills with intent to protect their privilege. This attitude provoked joint-action of the Scottish unlimited banks which disregarded traditional Edinburgh-Glasgow rivalries. As a result, the public banks desisted. They recognised that the Liberal government was really hostile to banks with limited liability and, moreover, that their further action might revive the old controversy over their note issue.¹

Eventually in July 1881, the seven joint-stock banks jointly agreed to avail themselves of the Companies Act of 1880.² The Union Bank called a special meeting in February 1882 carrying a resolution that,

"the Union Bank of Scotland, being a Bank of issue, be registered under the Companies Acts, 1862-1880, as a limited Company, under the name of The Union Bank of Scotland, Limited, ... the nominal amount of the Capital of the Bank being One Million Pounds, represented by 100,000 shares of £10 each, fully paid up, be increased to Five Million Pounds by the nominal amount of each of its shares of £10 being increased to £50; provided always that no part of such increased Capital shall be capable of being called up, except in the event of and for the purpose of the Bank being wound up."³

This was 'reserve liability' under which no additional call was required unless the bank was being wound up and all the unlimited

1. S.G. Checkland, 1975, pp.480-1.

2. C.B.S., Minute of Board of Directors, 21/7/1881.

3. Appendix II.

Scottish banks became limited companies on the basis of having nominal capital five times as large as their existing paid up capital.¹

2

BUSINESS IN 'THE GREAT DEPRESSION'

1. Money Flow to London

Methods of advances and their proportion to deposits and total liabilities on three different levels are set out in tables 5.2, 5.3 and 5.4, that is, the Union Bank of Scotland as a whole, Glasgow head office and London office. All accounts of branches, except those under the charge of the Edinburgh head office, had already by the spring of 1879 been consolidated at the Glasgow head office, and, therefore, direct comparisons between regions are not available in this period.

Figures of advances as percentages of deposits clearly show two features of the performance of the Union Bank. The figures for the Bank as a whole diminished from 75% in 1880 to 70% in 1885 being 72% on average which was considerably below that of the Scottish total (82%).² The Union Bank continued to lose initiative in pushing their lending business. The figures of the Glasgow head office, though also substantially declining compared to those of the previous period, were evidence of the dominant position of Glasgow business and the money flow from the rest of Scotland to Glasgow, which is supported by figures in tables 5.5 and 5.6. At the Edinburgh head office and its branches, only 40% of their deposits were lent. At the rest of the branches, a little more than one third of their deposits was advanced. Thus, money flow from the rest of Scotland, especially from the North and East, to the West, especially to Glasgow, was the established pattern of the Union Bank even in the last quarter of the 19th century.

On average, any method of advances of the Bank as a whole did not exceed half of the total. Advances on discounts, which were

1. A.W. Kerr, 1926, p.268.

2. S.G. Checkland, 1975, table 45.

Table 5.2 Methods of Advances of the Union Bank as a Whole, 1880 - 1885

	<u>1.Credit Accounts/ Overdrafts</u>	<u>2.Loan on Securities</u>	<u>3.Bills</u>	<u>4.1+2+3</u>	<u>5.Deposits</u>	<u>6.4/5</u>
1880	£3,011,537 42.0%	£799,042 11.2%	£3,352,350 46.8%	£7,162,929 59.1%	£9,587,492 79.1%	74.7%
81	2,982,628 40.6	1,013,634 13.8	3,356,166 45.6	7,352,428 58.5	10,150,931 80.7	72.4%
82	3,160,618 42.2	1,165,633 15.6	3,153,786 42.2	7,480,037 56.5	10,679,642 80.6	70.0%
83	3,095,592 39.4	1,568,074 20.0	3,184,599 40.6	7,848,265 58.4	10,937,157 81.3	71.8%
84	3,037,734 38.5	1,555,978 19.7	3,286,874 41.7	7,880,586 59.2	10,774,189 80.9	73.1%
85	3,272,620 43.4	1,200,255 16.0	3,062,132 40.6	7,535,007 57.0	10,764,218 81.5	70.0%
Average	41.0%	16.1%	42.9%	58.1%	80.7%	72.0%

Notes: 1. Date as in April each year.
2. % of columns 1-3; as of column 4.
3. % of columns 4 and 5; as of total liabilities.

Sources: U.B. Annual Reports.

Table 5.3 Methods of Advances at the Glasgow Head Office, 1880 - 1885

	<u>1. Credit Accounts/ Overdrafts</u>	<u>2. Loan on Securities</u>	<u>3. Local Bills</u>	<u>4. Bills of Exchange</u>	<u>5. Bills from Branches</u>	<u>6. 3+4+5</u>	<u>7. 1+2+6</u>	<u>8. Deposits</u>	<u>9. 7/8</u>
1880	£831,737	£550,768	£715,383	£655,149	£396,730	£1,767,262	£3,149,767	£1,080,320	292%
	26.4%	17.5%	22.7%	20.8%	12.6%	56.1%	44.0%	11.3%	
81	663,535	743,583	673,858	550,723	762,736	1,987,317	3,394,435	1,216,915	279
	19.5	21.9	19.9	16.2	22.5	58.6	46.2	12.0	
82	813,618	831,643	714,830	535,443	738,935	1,989,208	3,634,469	1,339,990	271
	22.4	22.9	19.7	14.7	20.3	54.7	48.6	12.5	
83	761,268	1,100,724	811,898	551,994	717,281	2,081,173	3,943,165	1,381,097	286
	19.3	27.9	20.6	14.0	18.2	52.8	50.2	10.3	
84	747,348	1,001,182	696,628	630,895	812,540	2,140,063	3,888,593	1,308,974	297
	19.2	25.7	17.9	16.3	20.9	55.1	49.3	9.8	
85	903,384	717,551	597,048	602,868	572,188	1,772,104	3,393,039	1,133,845	299
	26.6	21.1	17.6	17.8	16.9	52.3	45.0	8.6	
Average	22.2%	22.8%	19.7%	16.6%	18.6%	54.9%	47.2%	10.8%	287%

- Notes: 1. Date as in April each year.
2. % of columns 1-6; as of column 7.
3. % of columns 7 and 8; as of total liabilities.

Sources: U.B. Annual Reports.

U.B.P.J.

Table 5.4 Business at the London Office, 1881 - 1884

	<u>1.Credit Accounts/ Overdrafts</u>	<u>2.Bills of Exchange</u>	<u>3.Inland Bills</u>	<u>4.Loans to Customers</u>	<u>5.1+2+3+4</u>	<u>6.5/Total Bank Deposits</u>	<u>7.Loan to Bill Broker</u>	<u>8.Loan to Stock Broker</u>
Mar 18	81 £117,237 20.5%	£266,884 46.6%	£11,941 2.1%	£176,157 30.8%	£572,219 17.9%	5.6%	£1,065,500 33.3%	£772,000 24.1%
Mar 21	82 198,261 28.6	227,819 32.9	14,006 2.0	253,500 36.5	693,586 27.0	6.5	1,000,000 39.3	70,600 2.7
Oct 26/ 27	82 121,567 18.4	199,276 30.1	5,101 0.8	335,351 50.7	661,295 24.8	6.1	595,000 22.3	690,000 25.9
Mar 14	83 85,222 16.1	157,714 29.7	6,691 1.3	280,537 52.9	530,164 15.8	4.8	800,000 23.9	581,225 17.4
Oct 25/ 26	83 196,713 29.4	200,363 29.9	6,387 1.0	265,868 39.7	669,331 20.9	6.2	690,000 21.6	310,575 9.7
Oct 17	84 40,676 5.1	112,093 14.2	7,839 1.0	630,376 79.7	790,984 25.8	7.3	640,000 20.8	226,326 7.4
Average	19.7%	30.6%	1.4%	48.4%	22.0%	6.1%	26.9%	14.5%

Table 5.4 (Continued)

		9.7+8	10.9/Total Bank Deposits	11.5+9	12.11/Total Bank Deposits	13.Consols	14.Other Balances	15.11+13+14	16.15/Total Bank Deposits
Mar 18	81	£1,837,500 57.4%	18.1%	£2,409,719 75.3%	23.7%	£700,000 21.9%	£88,968 2.8%	£3,198,687 25.4%	31.5%
Mar 21	82	1,070,600 42.0	10.0	1,764,186 69.0	16.5	701,000 27.5	81,526 3.5	2,546,712 19.2	23.8
Oct 26/ 27	82	1,285,000 48.2	11.9	1,946,295 73.0	18.0	717,587 27.0	- -	2,663,882 20.0	24.6
Mar 14	83	1,381,225 41.3	12.6	1,911,389 57.1	17.5	1,300,000 38.9	134,753 4.0	3,346,142 24.9	30.6
Oct 25/ 26	83	1,000,575 31.3	9.2	1,669,906 52.2	15.4	1,350,000 42.2	178,001 5.6	3,197,907 23.9	29.5
Oct 17	84	866,326 28.2	8.0	1,657,310 54.0	15.4	1,300,496 42.4	112,354 3.6	3,070,160 23.1	28.5
Average		41.4%	11.6%	63.4%	17.8%	33.3%	3.3%	22.8%	28.1%

Notes: 1. % of columns 1-4; as of column 5.

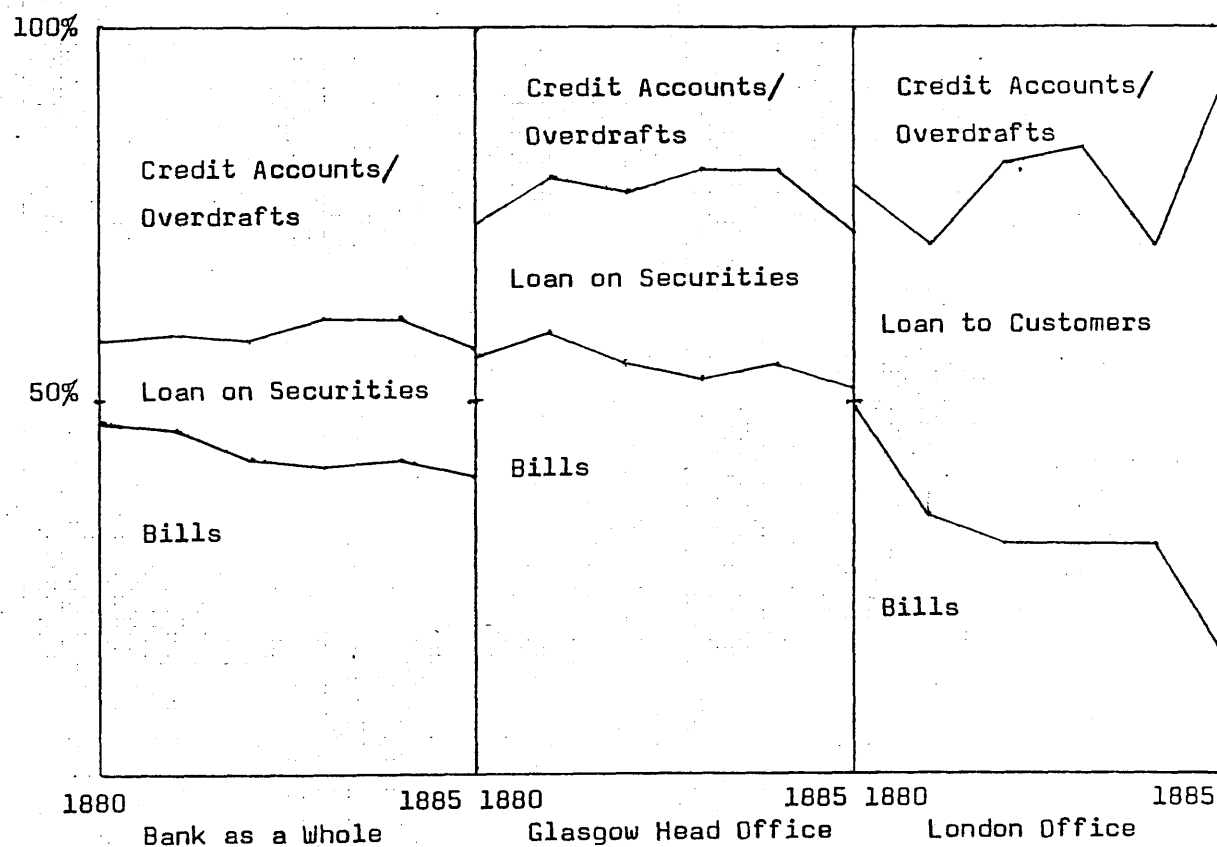
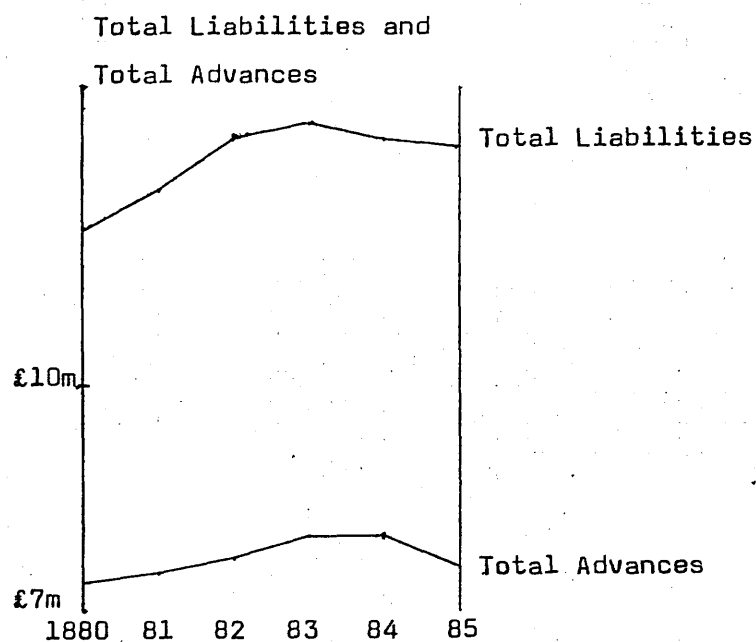
2. % of columns 5, 7, 8, 9, 11, 13 and 14; as of column 15.

3. % of column 15; as of total liabilities.

4. Denominators of columns 6, 10, 12 and 15; a. the months of March in 1881, 82 and 83; total bank deposits or liabilities in April each year; b. Octobers of 1882, 83 and 84; total bank deposits or liabilities on the average between the years.

Diagram 5.3

Proportions of Methods of Advances; Union Bank as a Whole,
Glasgow Head Office and London Office, 1880 - 1885



Sources: Tables 5.2, 5.3 and 5.4.

Table 5.5Deposits and Advances at the Edinburgh Office
and its Branches,¹ 1880 - 1885

	<u>1. Deposits</u>	<u>2. Advances</u> ²	<u>3. 2/1</u>
1880	£643,576	£283,555	44.1%
81	658,464	268,073	40.7
82	686,613	254,165	37.1
83	641,084	286,556	44.7
84	633,388	267,562	42.2
85	719,057	298,333	41.5
Average	-	-	41.7%

- Notes: 1. Lerwick, Kirkcaldy, Leith, Kirkwall and town branches in Edinburgh.
 2. Credit accounts/overdrafts and discounts.
 3. Date; as in April each year.

Source: U.B.G.L.

Table 5.6Deposits and Advances at Other Branches, 1880 - 1885

	<u>1. Deposits</u>	<u>2. Advances</u> ¹	<u>3. 2/1</u>
1880	£7,142,654	£2,717,234	38.0%
81	7,519,292	2,907,713	38.7
82	7,910,995	2,703,151	34.2
83	8,124,896	2,698,476	33.2
84	8,240,161	2,744,823	33.3
85	8,183,048	2,566,201	31.4
Average	-	-	34.8%

- Notes: 1. Credit accounts/overdrafts and discounts.
 2. Date as in April each year.

Source: U.B.G.L.

Table 5.7London Deposits (Estimate), 1880 - 1885

	<u>Figure in</u> <u>Annual Report</u>	<u>Figure in</u> <u>General Ledger</u>	<u>London Deposits</u>
1880	£9,587,492	-£9,261,646	=£325,846
81	10,150,931	- 9,691,031	= 459,900
82	10,679,642	-10,213,366	= 466,276
83	10,937,157	-10,414,398	= 522,759
84	10,774,189	-10,424,533	= 349,656
85	10,764,218	-10,403,330	= 360,888

- Notes: 1. Date; as in April each year.
2. It might be suspected that this estimate has been made arbitrarily, because there remains no evidence which would support the validity of our guess. However, there are two reasons which could be favourable with regard to our guess. Firstly, the gaps between two figures in the annual reports and general ledgers, which constantly amounted to more than £0.3m, are too large to be regarded as a result of the difference in dates in which the two accounts were made up. Secondly, the figures seem to be reasonable for deposits at the London office, compared to those at the Edinburgh office and its branches (see table 5.5).

Sources:.. U.B. Annual Reports. U.B.G.L.

Table 5.8
London Business as Percentages of Estimated London Deposits,
1881 - 1884

	<u>1.Ordinary</u> <u>Advances</u>	<u>2.1+Loans to Bill</u> <u>& Stock Brokers</u>	<u>3.Whole London</u> <u>Business</u>
Mar 1881	124.0%	524.0%	695.5%
Mar 1882	148.8	378.4	546.2
Oct 1882	133.7	393.6	538.7
Mar 1883	101.4	365.6	640.1
Oct 1883	153.4	382.8	733.1
Oct 1884	222.6	466.5	864.2
Average	147.3%	418.5%	669.6%

- Notes: 1. Credit accounts/overdrafts, discounts and other loans.
2. Denominators; as of note 4 in table 5.4.

Sources: Tables 5.4 and 5.7.

the dominant method of the Bank till the mid 19th century, eventually lost ground. Only at the Glasgow head office, they reached 55%. At the London office, where foreign bills must have been centred, their proportion was a little more than 30% of the advances excluding loans to bill and stock brokers. The decrease of discounts was due to the careful lending policy of Gairdner as well as, probably, to the general tendency of a decline in inland bills.¹

Instead of traditional methods, other loans, termed 'loans on securities' and 'loans to customers', were increasing, especially at the offices situated in commercial and financial centres. Details of these kinds of loans are not exactly known, but it is safe to say that they were primarily made on stocks and debentures such as those of railway companies and a growing number of joint-stock corporations in general. Indeed, the Castle Packet Co. and the New Zealand & Australia Land Co. were usually allowed credits on debentures.² Remarkably, the Mexican Railway Co. applied for a large loan for £2,000,000, presumably on its debentures, but it was declined.³ Consequently, these loans, at least a considerable portion of them, are construed to have been quasi-investments. If we added these sums to those of investments, their growth rate would have been more remarkable.

Once the London office was opened in March 1878, another route for substantial money flows made its appearance. Table 5.4 shows that the advances at the London office, including loans to bill and stock brokers, amounted to 17.8% on the average of the total deposits of the Union Bank. If we include government securities and other balances, more than 28% of the Union Bank deposits proved to be employed in London. There remains no direct evidence regarding the amount of the London deposits, but we can estimate amounts from gaps between figures in the annual reports and general ledgers which are set out in table 5.7. If this estimate is assumed to be right, ordinary advances, loans to bill and stock brokers and whole businesses, including government securities and other balances, as percentages of the London deposits, can be obtained, as table 5.8

1. S. Nishimura, 1971.

2. U.B.M., 19/11/1879, 11/4/1883 and passim. See also chapter 5.3(1).

3. U.B.M., 12/12/1883.

sets out. Even only ordinary advances exceeded the deposits by 50%. Adding loans to bill and stock brokers, the London office lent four times more than its deposits. In all, the London office did business six and half times larger than its own deposits. From this it must be concluded that the Union Bank of Scotland gathered deposits up in the North and East pouring them into the Glasgow head office and then into the London office which placed them primarily in the hands of bill and stock brokers. This, since the opening of the London office, was a new pattern of money flow for the Union Bank.

The large employment of the Bank resources in London, thus, undoubtedly resulted from the lending policy of Charles Gairdner who, as we already know, preferred safe outlets for money. Indeed, three quarters of the assets at the London office were employed in short term loans to bill and stock brokers (41.1%) and Consols (33.3%). Self-liquidating credits and safe investments, that is, reserve of the banking business, were the purpose of the London business. However, another purpose, more general but minor for the Union Bank, as the small proportion of ordinary advances suggest, should not be ignored. As a young banker argued in his prize winning essay for the Institute of Bankers in 1878, first published in 1975,

"nowadays it is quite an exception with large mercantile houses in Glasgow and Dundee and other Scotch towns to accept a bill payable in Scotland."¹

Beyond Edinburgh, the financial centre of Scotland, all payments for commercial transactions were increasingly clustering round the largest international financial centre, London. The Union Bank was not an exception in that the bank follows the customer.

From this point, there emerges a profound question as to whether the money flow from Scotland to London had any substantial effect on the Scottish economy as a whole. A certain effect must have been felt by businessmen in Scotland as the Glasgow Chamber of Commerce complained in 1882 that,

"Your committee feel that the directors of the different Scotch banks should be approached, and strongly urged

1. L.S.M. Munro, 1975, p.27. See also M. Gaskin, 1965, p.183.

to modify the unequal rates of discount charged by them in Scotland for certain bills as compared with the discount rates for similar bills in London. In this way, the trading public in Scotland are placed at a great disadvantage in competing with English traders and, several of the members of your chamber have stated that business has actually been driven away from Scotland owing to their competitors being able to finance so much cheaper than can be done in Scotland."¹

This was probably a result of the money flow to London. However, this subject must be treated from the wider view of the relationship between the Scottish economy and banking, following case studies of other major Scottish banks.

2. A full Range of Investments

Following the period of the remarkable growth of investments from 1866 to 1879, the Union Bank greatly diversified its portfolio including the U.C., Canadian, Australian, New Zealand, Indian Mauritius, Tasmanian, and New Brunswick bonds and American and French railway securities.² The largest component of its investments was, of course, British government securities, primarily Consols, to which Treasury bills were added in 1879 when they made their appearance at the suggestion of Sir Walter Bagehot. The amount of Treasury bills soon increased to £400,000 in 1881.³ Consequently, though the diversification of its portfolio was remarkable, the largest items were the long and short term securities of the British government.

In conducting the business of various investments, the general manager, Gairdner, employed at least nine firms of stock brokers, merchant bankers and an investment company, among which there were definite divisions of business. In London, the firms of Murton & Smallpiece and Pember & Boyle were engaged primarily in transactions with regard to Consols. Rothschild & Son and J. Morgan & Co. were employed especially for foreign investments, particularly those of foreign governments.⁴ In Leeds, R. Salmon Backhouse operated for

1. B.S. (Edinburgh), Report by the Committee on Home Affairs of the Glasgow Chamber of Commerce, 26/12/1882.
2. U.B.M., 23/1/1881, 13/11/1882, 17/10/1884. U.B.P.L. passim.
3. U.B.M., 30/3/1881.
4. Ibid., 4/10/1882, 6/12/1882, G.L., 20/1/1884, 22/1/1884, 11/2/1884.

transactions connected with the English railway securities. In Scotland, Bell, Begg & Cowan (Edinburgh), Davidson & Syme (Glasgow), J. Watson & Smith (Glasgow) and T.F. Donald (Glasgow) were engaged in transactions with regard to Scottish securities, mainly those of railway companies.¹ The employment of nine firms suggests that Gairdner was very careful in distributing risks in investments among them.

The purchase of its own stock by the Union Bank almost ceased at the beginning of the 1880's. In March 1881, the Union Bank made a purchase of its stock for £10,322, which was the last large scale one up to 1885.² The Union Bank quietly ended this controversial practice in the wake of the adoption of the external audit system.

3

THE UNION BANK OF SCOTLAND AND INDUSTRIES

The number of special advances of £10,000 and over³ amounted to 120 cases between 1879 and 1885, of which 109 authorisations were made to seven sectors as table 5.9 sets out.

Table 5.9

Special Advances, 1879 - 1885

	<u>1. Number of Authorisations</u>	<u>2. Average Amount of Authorised Advances</u>	<u>3. Ranking in terms of 2</u>
1. Trade	31	£27,211	4
2. Shipbuilding & Engineering	21	59,941	1
3. Iron & Steel	18	24,500	6
4. Transport	16	51,781	2
5. Textile	11	25,909	5
6. Public	9	39,778	3
7. Chemical	3	16,000	7
	<hr/> 109 <hr/>		

Source: U.B.M., passim.

1. G.L., passim.

2. U.B.P.L., -/3/1881.

3. See chapter 4.2(1).

In terms of the number of authorisations, the transport sector, which we have termed 'the railway sector' because of no special advances being made to shipping companies, dropped behind three industries for the first time since the sectoral preference of the Union Bank appeared in the early 1860's. Instead, the sectors of trade, shipbuilding and iron & steel occupied the first three rankings, which might reflect the coming of the age of steel ship navigation. In terms of the average amount of authorisations, a different ranking can be obtained as column 3 in table 5.9 sets out. Surprisingly, the sector for shipbuilding & engineering jumped up to the top of the table, followed by the sectors of transport and public utilities. The appearance of the public sector in the higher ranking was entirely due to one overwhelmingly large credit made to the City of London Commissioners of Sewers for £200,000.¹ Excluding this large advance, its average sum was reduced to £19,750. Consequently, it is fairly reasonable to say that the favourite sectors of the Union Bank were still trade, transport and shipbuilding & engineering, as they were in previous years, though the sector of iron & steel was not negligible. Coincidentally, the Union Bank had three notable borrowers in these three sectors, that is, the Haputale Coffee Co., the Castle Packet Co. and J. & G. Thomson, whose cases would be worth detailing.

1. The Haputale Coffee Co. and the Castle Packet Co.;

Directors' Concerns

The Haputale Coffee Co., situated in London, was trading with Ceylon, borrowing exclusively from the Union Bank at its London office (table 5.10). As far as the amounts, lengths and rates of interest of advances were concerned, there was neither any remarkable feature nor any foreseeable risk. The average sum of authorised credit (£12,955) was far below that of the trade sector. Lending rates were carefully arranged so that they did not fall below 4%. However, there arose a problem which was a result of the exclusive business of the Union Bank with the Haputale Co.

1. U.B.M., 30/7/1884.

Table 5.10

Advances to the Haputale Coffee Co.

	<u>1.Amount</u>	<u>2.Method of Advance</u>	<u>3.Length</u>	<u>4.Lending Rate</u>
Apr 28, 1880	£20,000	Credit account	12m	BER(3%)+1%, not under 4%
June 8, 81	20,000	Credit account	12m	BER(2½%)+1%, not under 4%
July 13, 81	25,000	Open credit	-	-
May 24, 82	20,000	Credit account	12m	BER(3%)+1%, not under 4%
May 30, 83	10,000	Credit account	12m	BER(4%)+, not under 4%
July 18, 83	9,000	Open credit	-	-
Dec. 19, 83	10,000	Credit account	12m	BER(3%)+1%, not under 4%
do.	8,000	Open credit	-	-
June 4, 84	2,500	Credit account	-	-
Feb 4, 85	10,000	Credit account	12m	BER(4%)+1%, not under 4%
do.	8,000	Open credit	-	-
Average	£12,955			

- Notes: 1. BER; Bank of England rate.
 2. Credit account; probably sometimes overdrafts.
 3. Average; including open credits.

Sources: U.B.M., as at date except 18/7/1883. U.B. (Glasgow)
 Accountant's Minute, 18/7/1883. B.R. Mitchell and
 P. Deane, 1976, p.457.

Among the directors of the Union Bank, Frederick Pitman (W.S.,
 Edinburgh) was very keen to expand the business of the Haputale Co.
 intending to purchase an estate in Ceylon by issuing preference
 shares of the Company.¹ To this scheme, some of the shareholders of
 the Haputale Co. raised objections. H.M. Lang, one objector, who was
 a relative of Alexander Dennistoun and Seton Thomson, director of
 the Union Bank, wrote to Gairdner expressing his anxiety over the
 future of the Haputale Co. saying that,

1. G.L., 20/3/1883, 31/5/1884, 3/10/1884.

"I am annoyed about these Haputale and Madulsa (another coffee co.) ... the unsatisfactory grant is that the directors don't seem to indicate what they intend to do in the future. If they cannot see their way to make the estates pay something much better, put them in liquidation as I must say I would certainly object to any calls being made."¹

The business of the Haputale Coffee Co. was obviously in certain difficulties in which the Union Bank had to involve itself on account of its being the sole lender. The answer of Gairdner is not known, but it is likely that he did not object the scheme to purchase an estate in Ceylon because he stepped in to arbitrate between the directors and shareholders of the Haputale Co. Gairdner's arbitration was successful, and the scheme was launched in November 1884.² Gairdner and Pitman might have seen a bright future in the Ceylon business, as did Thomas Lipton!³

The Castle Packet Co. was created in the late 1870's by Sir Donald Currie of the firm of Donald Currie & Co. (Liverpool), which commenced a line of sailing ships between Liverpool and Calcutta in 1862.⁴ From the outset of the venture, the Castle Co. borrowed money mainly on debentures and this constantly amounted to £200,000 as table 5.11 sets out. Although the constant authorisation of credits for £200,000 was very favourable for the Company, advances on debentures were the usual method of financing the transport sector. In August 1883, the Castle Co., encountering an emergency need for cash in addition to the credit of £150,000 granted in February, asked Gairdner to give another large advance for £100,000.⁵ Gairdner did not confirm the authorisation despite a plea by James Currie, director of the Union Bank and the brother of Donald Currie. Negotiations took nearly two months, and the credits were sanctioned in the autumn of that year to the extent that the Curries demanded.⁶

1. G.L., 12/12/1883.
2. Ibid., 25/6/1884, 30/6/1884, 10/8/1884, 3/10/1884. U.B.M., 5/11/1884.
3. C.A. Oakley, 1946, pp.224-5.
4. W.C. Jack, 1902, pp.3-4.
5. G.L., 6/8/1883, 24/8/1883.
6. U.B.M., 26/9/1883, 1/10/1883. This subject will be discussed from another point of view in the last section of this chapter.

Table 5.11Advances to the Castle Packet Co.

	<u>1.Amount</u>	<u>2.Method of Advance</u>	<u>3.Length</u>	<u>4.Lending Rate</u>
Nov 19, 1879 ¹	£50,000	Debentures	12m	4½%
Nov 26, 79 ¹	50,000	Debentures	12m	4½%
Dec 29, 79 ¹	100,000	Debentures	12m	4½%
Apr 2, 80 ²	70,000	Debentures	-	-
Dec 29, 80 ³	100,000	Debentures	12m	4½%
Jan 20, 81 ³	100,000	Debentures	12m	4½%
July 20, 81 ³	30,000	Credit account/ overdraft	-	-
Apr 2, 82 ²	100,000	Debentures	12m	4½%
Feb 8, 83 ¹	150,000	Promissory notes	12m	4½%
Sept 26, 83 ³	50,000	Promissory notes	12m	4½%
Oct 1, 83 ³	50,000	Promissory notes	12m	4½%
Aug 27, 84 ¹	100,000	Bills	12m	4½%
May 20, 85 ¹	50,000	Bills	12m	4%

Sources: 1. U.B. (Glasgow) Accountant's Minute, as at dates.
 2. U.B.P.L., as at dates.
 3. U.B.M., as at dates.

The two cases of Haputale and Castle financing had no common feature in terms of method and condition of advances. The only common aspect was that both companies were the Bank directors' concerns. The Ceylon scheme of the Haputale Co., was successfully initiated thanks to the assistance of the Union Bank, and especially to Gairdner. Also in the case of the Castle Co., Gairdner complied with the request of a director of the Bank though negotiations were rather prolonged. From these two examples, it may be concluded that the directors' concerns had priority over the other customers. Indeed, the large additional advances to the Castle Co. were sanctioned in the middle of the difficulties over the Thomson affairs. The Castle Packet financing also suggests another point - that the bank found difficulty in separating itself from the large borrower, as the Union Bank did in the case of the Dennistouns in the 1850's and early 1860's. Unfortunately, the Union Bank was trapped by another case in this period, that is, the Thomson affairs.

2. J. & G. Thomson Financing

The firm of J. & G. Thomson was set up in 1847 by James R. and George P. Thomson, both of whom were trained at the famous shipyard of Robert Napier. The first record of the Union Bank authorising a credit to the Thomsons appeared in the minute of the board in May 1855.¹ Thereafter, the volume of Thomson financing accumulated, standing at £110,000 in the summer of 1879,² when the Thomsons asked the Union Bank to allow an additional credit for £25,453 on the ground that,

"We have here with approximate statements of our affairs, and we would beg to accompany same with one or two remarks in explanation. We beg to say, as regards the results of last year's working, that it has been quite apparent to us for some months back, that to push forward the work so as to earn instalments enhanced very heavy extra outlay. Added to this, however, were drawbacks of a much more serious character, which are now removed by the additional alterations recently made, viz: (1) the want of dock accommodation at our yard and the heavy expense for the work in Harbour consequent thereon: (2) the want of adequate Engine shop, thereby entailing very large and costly amounts of over time, to keep pace with the building yard."³

As is suggested in the letter, a part of the shipbuilding works had lately in 1874 been transferred from Finnieston to Dalmuir on account of a scheme of the Clyde Trust.⁴ The expense of transfer for £50,000 was supplied by the Union Bank.⁵ Through the 1870's, the Thomsons were making remarkable progress, building a steel paddle steamer and so competing with other big shipbuilders such as William Denny & Bros. of Dumbarton and John Elder & Co.⁶ The Thomsons were

1. See chapter 2.2(1).

2. T.P., 1/7/1879.

3. Ibid., 1/7/1879.

4. A.M. Robb, 1958, in; J. Cunnison and J.B. Gilfillan, ed., p.207.

5. U.B.M., 3/12/1874.

6. A.M. Robb, 1958, in; J. Cunnison and J.B. Gilfillan, ed., p.181.

P.L. Robertson, 1974. M.S. Moss and J.R. Hume, 1977, pp.117-8.

borrowers with a bright future and the Union Bank must have anticipated good returns from their business.

The partial transfer of their works resulted in heavier fixed capital on account of the want of dock accommodation and an inadequate engine shop, as they complained. Moreover, they had to face the more fundamental problem of a shortage of workers "owing to the want of travelling accommodation between Clydebank and Partick."¹ The separation of their works was, thus, apparently a great mistake even though they were forced into it. These circumstances were serious for the Thomsons whose financial burden fell entirely upon the Union Bank, and the result was heavier involvement in the Thomson affairs.

The debts of the Thomsons totalled £123,977 in the spring of 1881 when a tragedy happened as the report, afterwards made by William MacKinnon, external auditor of the Union Bank, revealed that,

"the result of a fire which occurred in the shipyard at Dalmuir in April 1881, destroying totally the joiners' shop, and the greater part of internal fitting of the 'Servia' and other ships then in course of construction. The shop was insured but the delay occasioned was great and work had to be given out, which entailed loss."²

The 'Servia' was the third ocean-going steel ship in Britain, built for the Cunard line, following the two launched by Denny & Bros., and was the largest - with the exception of the 'Great Eastern', - of 515 feet length and 7,392 gross tons.³ This accident resulted in an unusual relationship between the Union Bank and the Thomsons, not in the way that "the device of the short-term loan became an instrument of long-term investment"⁴ as Professor P. Mathias has suggested and, indeed, the Bank hitherto did, but in the way that the bank directly intervened in the management of Thomsons'.

Firstly, the Union Bank considered a conversion of the firm of Thomson into a public company which must have been considered by

1. MacKinnon Report, in; T.P., 3/5/1883.
2. Ibid., 3/5/1883.
3. A.M. Robb, 1958, in; J. Cunnison and J.B. Gilfillan, ed., p.181.
4. P. Mathias, 1969, p.176.

Gairdner and the directors in order to have a wider choice in raising funds, thus relieving the Union Bank of further involvement in the Thomsons' and also enhancing its capacity. For this purpose, the Bank asked two firms of chartered accountants, Anderson, Muir & Main and M'Clelland, MacKinnon & Blyth, to make a report on "(1) the amount of capital necessary for the new Company, (2) the capability at the works ... to compete economically with other shipbuilding yards,"¹ which was submitted in the summer of 1882 recommending that,

- "(1) Capital; £300,000 of which £200,000 might be subscribed in shares and £100,000 borrowed on mortgage or debenture would be sufficient.
- (2) Capability; This being a question which appeared most capable of being determined by a person having large practical experience as a shipbuilder and engineer.
- (3) The advantages which may be expected to result from the concentration of works at Dalmuir; Mr. James Thomson estimated ... £15,000 per annum."²

The scheme of conversion into a limited company was met with downright rejection by the Thomsons, and, as a result, only the third recommendation survived.³ For the purpose of transferring further parts of the works from Finnieston to Dalmuir, the Union Bank immediately allowed a credit for £30,000.⁴

More importantly, Gairdner and the directors ignored, or hesitated, to adopt promptly, the second recommendation in spite of a remarkable letter, written by P. Denny of Denny & Bros. of Dumbarton and attached to the report, saying that,

"Messrs. Thomson, I have looked into your last sheets of 'Thames' in comparison with our 'Clyde'. In the carpenters' timber in your sheet there must be a considerable error. In the total wages there is a considerable difference in excess of ours. We had several advantages

1. T.P., 1/8/1882.
2. Ibid., 1/8/1882.
3. U.B.M.A., 25/8/1882. This committee which was almost a sleeping one resumed its activity in this period exclusively on the subject of the Thomson affairs.
4. U.B.M., 30/8/1882.

over you. ... I don't know as to the effect of your disastrous fire on cost of the 'Thames'. That may have had the effect of increasing probably."¹

Denny's letter suggests that 'the Thomson affairs' resulted not only from the disastrous fire, but also from a probable 'mismanagement', especially of a technical kind. It was debatable whether the bank should take any action, say, intervention, when it was acknowledged that its borrower had defects in management. However, in the case of the Thomsons, the hesitation of Gairdner and the directors certainly aggravated their affairs.

The Thomsons were again hit by an accident in December 1883 when a new steam ship, 'Aurania', broke down on her maiden voyage to New York, apparently on account of mechanical faults. Finally, the reluctance of Gairdner and the directors to intervene in the management of Thomsons disappeared. The real situation of the Thomsons had deteriorated to such a degree that,

"any other course would probably involve the suspension of the business and an enforced winding up in the results."²

Thus, in February 1883, Gairdner asked William MacKinnon to investigate closely the financial situation of Thomsons'. MacKinnon made a report upon which Gairdner drew up a reconstruction plan for Thomsons'.

According to the plan, the Thomsons were to be allowed large advances. Firstly, £100,000 was to be lent directly to the firm which should apply this to reducing its arrears of debts. Ironically, the Union Bank had to supply funds to the Thomsons in order to lessen the amount it had lent. This must be an example of a bad loan and certainly a strange one. Secondly, the Bank promised, in order to transfer the entire Thomson works to Dalmuir, to supply to the extent of £100,000, including £30,000 already supplied in August 1882, funds which were to be secured by "the demand drafts for work done and bond over the works or otherwise."³ Thus far was the ordinary business of banking.

1. T.P., 27/7/1882.

2. U.B.M., 11/4/1883.

3. Ibid., 8/2/1883.

Besides the large advances to the extent of £200,000, another loan was stipulated in the reconstruction plan, as the minute recorded that,

"The loan of £40,000, not to claim against the firm in competition with business debts, contracted after the date of the loan, but to take precedence of the sum of £100,000 referred to ... which is to be a debt of the partners as individuals."¹

At the same time, the Bank arranged with MacKinnon to the effect that,

"Mr. MacKinnon shall enter into an agreement with the firm in which he will undertake that on the capital at the credit of partners being made up to £60,000 he will lend the firm £40,000 which shall not be repayable until all business debts contracted after the date of the loan shall have been paid, but in a condition, (1) that the loan shall be repayable on 1st January 1888. ... Mr. MacKinnon shall grant a receipt to each contributor to the fund"²

According to the agreement, the fund of £40,000 was to be placed in the hands of MacKinnon who was in charge of collecting contributions from the third party to the fund and, thus, making up the capital of Thomsons to £100,000. This arrangement was, it might be construed, a step towards converting the firm of Thomsons into an incorporated company because the total amount of loans for £240,000, which the Bank promised, and the expected amount of contributions for £60,000, made up £300,000, which was exactly the same sum as the report of chartered accountants recommended in 1882. If this guess is right, a receipt, which was to be issued by MacKinnon, could be regarded as a kind of debenture. From this, we may deduce that Gairdner and the directors envisaged the financing of the Thomsons in the light of converting the private firm into 'J. & G. Thomson, Ltd.' Indeed, Thomson Ltd., was formed in 1889, when the loan of £40,000 was to be extinguished. The fund of £40,000 was termed a 'guarantee fund' by the directors who themselves contributed to it.³

1. U.B.M., 8/2/1883.

2. Ibid., 14/2/1883.

3. C.G.D. Tennant, 1979, p.23.

Compensation for the tremendous amount of advances, naturally, had to be paid by the Thomsons who accepted the following conditions that,

- "(1) The management at the works, and the causes which led to the unsatisfactory results of recent years to be examined into by Mr. MacKinnon with a view to the introduction of such reforms as may, in his opinion, be necessary for the efficient conduct of business. Every facility shall be afforded to Mr. MacKinnon to enable him to carry the purpose into execution.
- (2) As regards the future conduct of business, Mr. MacKinnon to be consulted as to the loans and conditions of new contracts, and generally as to all questions of importance which may arise. A manager of first class experience to be got for the work.
- (3) Drawings of future and all outlays, at the work, to be placed on a most economical footing under Mr. MacKinnon's supervision."¹

MacKinnon also recommended that,

- "1st, that an able and thoroughly capable man is secured and put in charge as general manager of the shipbuilding yard.
- 2nd, that engineering department of the business be removed from Finnieston to Dalmuir. It is estimated this will cost something like £30,000.
- 3rd, that a more active and direct superintendence and control of the general conduct of the business be taken and the proposed arrangement points to this being put into operation now."²

Regarding the replacement of the general manager, the Thomsons first showed disapproval, preferring the present manager. Their resistance could be understandable if we think of their being proud of "a thorough practical training and nearly twenty years' experience as engineer and shipbuilder."³ The Thomsons could not resist for long, and advertisements to recruit "A thoroughly qualified manager for a large

- 1. U.B.M., 8/2/1883.
- 2. Ibid., 13/2/1883.
- 3. The Bailie, 2/3/1881.

shipbuilding yard"¹ appeared in newspapers in the middle of March 1883. As a result, J.G. Wilson, who was formerly superintendent of shipbuilding yards at Leith and Barrow, was to be appointed general manager in July 1883.²

MacKinnon's investigation started in the spring of 1883 revealing another two problems. Firstly, there was "trouble with the iron workers and consequent rise in wages,"³ although transport facilities had already been provided by the opening of the North British railway line. Details of the rises in wages are not known, but a rise in wages for nearly 5,000 workers must have been another problem for the Thomsons and the Union Bank as well. Secondly, it turned out that "a further sum of £30,000 is required for the purpose of moving the engine shop and foundry from Finnieston Street to Clydebank."⁴ Though advances to the extent of £100,000 were promised for this purpose, the Union Bank did not immediately allow the credit. Instead they waited until November 1884 when works at Clydebank were nearly completed.⁵ Consequently, the management of Thomsons' was put entirely under the control of the Union Bank for at least a year and half from the spring of 1883 to the autumn of 1884.

The two successive accidents and the consequent financial difficulties gave rise to rumour about the Thomsons and the Union Bank, especially after the institution of the guarantee fund from which people learned about the critical situation of Thomsons'. In July 1883 when subscriptions to the fund were almost completed, James Currie, director of the Bank, expressed his anxiety that,

"Within the last two or three days I have heard that Thomsons are under trust deed and that an allusion in the Glasgow News to the pecuniary difficulties of a firm employing nearly 5,000 men referred to them. My general reply was that some of Mr. James Thomson's friends and trustees are interested in the company and

1. G.L., 17/3/1883.
2. Ibid., 17/3/1883, 1/5/1883, 3/5/1883, 28/5/1883.
3. MacKinnon Report, in; T.P., 3/5/1883.
4. Ibid., 3/5/1883.
5. U.B.M.A., 14/11/1884.

that some vague language must have misled the gossips and that I had every reason to believe they were going on as usual."¹

Despite the confidence of Currie, the Bank could not avoid troubles caused by these rumours which spread even up to Perth. The Perth cashier sent a report to Gairdner that,

"There is a good deal of talk going on in Perth about the report in the paper that several Scotch banks are largely interested in some shipping venture, the Union and Clydesdale being chiefly spoken about ... it occurred to me that it might be of advantage if you (unreadable) to clear the good name of the Union."²

Rumours about the Thomsons and the Union Bank did not cease until February 1884 when the trial of the "Aurania" was successfully held. Thus, the most crucial stage of Thomson financing had passed. The three years between 1881 and 1884 had really witnessed tremendous difficulties with regard to the Union Bank, as Sir Charles Tennant, deputy chairman, wrote in retrospect that,

"I am inclined to think that we have seen the worst of the business and think we shall see an improvement towards the close of year."³

Indeed, as Sir Charles predicted, Thomson financing at last reached the stage at the end of 1884 that "The work now in progress ... would yield a fair profit."⁴

The intervention of the Union Bank in the management of the Thomsons was the result of its heavy involvement in their business which had already developed prior to the two accidents. This was the vicious circle in which the Western Bank of Scotland and the City of Glasgow Bank collapsed. Fortunately for the Union Bank, the general climate of shipbuilding on the Clydeside was so favourable that the Bank had time to convert the firm of Thomsons into an incorporated company thus being able to minimise further involvement.

1. G.L., 26/7/1883.
2. Ibid., 11/1/1884.
3. Ibid., 17/8/1884.
4. U.B.M.A., 17/12/1884.

There was another reason for Thomson financing to be considered. The Thomsons, though they were suffering from their own technical troubles, were undoubtedly one of the largest ship-builders on the Clyde, launching many fine ocean-going Cunarders. Gairdner and the directors must have seen that the business of Thomsons would be profitable if it were put on a sounder basis. A bright future was also seen because of "the increase of Royal Navy"¹ whose business was tremendously profitable as table 5.12 clearly shows. Surprisingly, the estimated profit of building the

Table 5.12

Estimated Profits of Thomsons'

	1. <u>Estimated</u> <u>Cost</u>	2. <u>Contract</u> <u>Price</u>	3. <u>Estimated</u> <u>Profit</u>	4. <u>Profit</u> <u>Rate</u>
Lake Superior (Cunard)	£78,000	£82,000	£4,000	5%
Scout (Admiralty)	53,000	66,600	13,600	28
Brayne's Boat	14,000	16,000	2,000	14
Hardie's Boat	17,000	17,000	0	0
Total/Average	<u>£162,000</u>	<u>£181,600</u>	<u>£19,600</u>	<u>12%</u>

Source: T.P., 2/12/1884.

"Scout" was £13,600 which was 70% of the total profits of Thomsons'. The profit rate was at least twice as large as those of civil ships. This was why the capability and capacity of Thomsons' had to be enhanced by the concentration of their works at Clydebank, and this was also why Gairdner was so generous in supplying large funds and the directors of the Bank were very anxious to obtain orders from the Admiralty.² Indeed, the newly built Clydebank shipyard of Thomsons' was apparently one of the most modernised works with powerful overhead travelling cranes, a complete system of hydraulic machinery in lieu of the usual steam appliance and a locomotive tractor and steam travellers over a railway system. The capacity of their shipyard was, thus, raised from 3,000 tons to 8,000 tons,

1. U.B.M.A., 17/12/1884.

2. G.L., 20/4/1885, 23/4/1885.

and the number of workers also increased from 1,500 at Finnieston to 5,000 at Clydebank. Clydebank emerged as a new industrial town with railway stations, a post office, churches and schools.¹

Ironically, the rather unusual example in British banking of the bank intervening in the management of the customer not only relieved the customer of financial difficulties but also contributed to the establishment of Clydebank, from which a large and fine fleet of steel ships was launched to the world.

4

THE STRUCTURE OF THE UNION BANK OF SCOTLAND

1. Directors vs. Shareholders

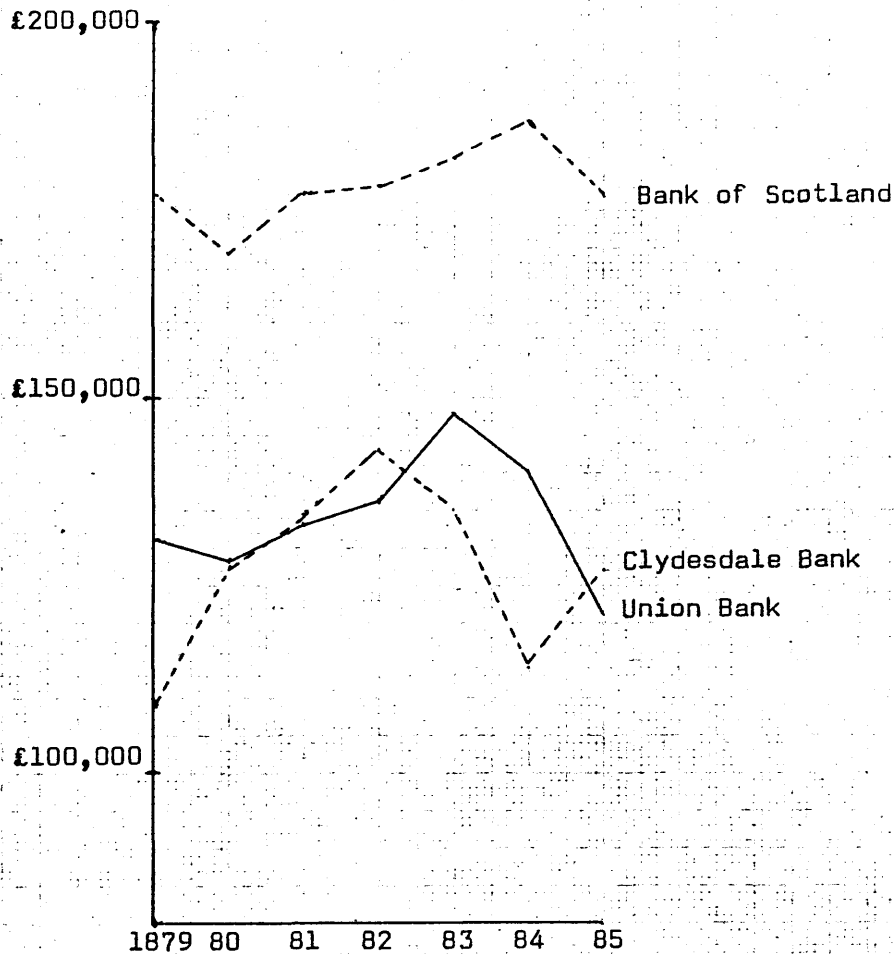
Between 1865 and 1878, the Union Bank of Scotland was not challenged by the rest of the Glasgow-based banks, the Clydesdale and the City of Glasgow Banks, in terms of profits. In 1867 and 1875, the Union Bank was even able to challenge the Edinburgh banks, ranking third. But after the 1878 crisis, it began to face the rivalry of the Clydesdale Bank which, indeed, first caught up on the Union Bank in the two successive years of 1881 and 1882 as is exhibited in diagram 5.4. As a result, the Union Bank sank into seventh place in terms of profits among the Scottish banks, which was the worst since 1865 when the balance sheets of the Scottish banks began to be published. Gairdner and the directors of the Union Bank were shocked to find their Bank lagging behind the younger and smaller Clydesdale. It was against this circumstance that 'quasi window-dressing' of the Bank's balance sheet was necessitated, that is, increase in profits.

There was a problem which was undoubtedly shared by other banks as well as joint-stock companies in general, and that was that the larger profits caused claims by the shareholders to enlarge the dividend. In this dilemma, Gairdner and the directors did not hesitate to show larger profits despite possible objections by their shareholders. The concern of Gairdner and the directors is well exemplified in the task of drawing up the annual report, in the spring of 1884 when an influential director, Colin Campbell, wrote to Gairdner that,

1. Anon., 1886, One Hundred Glasgow Men, pp.321-2.

Diagram 5.4

Profits of the Union Bank of Scotland in Comparison with the
Clydesdale Bank and the Bank of Scotland, 1879 - 1885



Sources: U.B. Annual Reports.

A.W. Kerr, 1898, pp.46-66.

"I regret to see that our losses total up to such a large sum and so many ... I can only hope that the profits may come out as you say £162^m (£162,000) and while I would have liked to have slipped an extra 10^m into a corner, I fear we cannot show less than 137 and if all stories are true I fancy our neighbour cannot do better this year. I only wish that we could think that the worst was over and good times approaching."¹

From the expectation that "our losses total up to such a large sum", Gairdner, looking over balance sheets of other banks, started the task of increasing artificially their profits, which is further suggested by letters from Campbell saying that,

"4^m will certainly ... enable us to put out of the 5 ... and make a good show. It is I think a good plan to carry fair and a large sum as when this is added to the profit ... The B. of S. statement looks well but there may be Skeleton somewhere. I fear our deposits will show decrease,"²

and that,

"Some of which (profit and loss accounts of branches) are good and we can only hope the latter tend to go to the good at Head Office ... shall be well pleased if you turn the 140^m for the public, but anyhow I think we can have 5^m for guarantee."³

It was absolutely apparent that the target of Gairdner and Campbell was to "turn the 140^m for the public". Indeed, the profits of 1883/1884 turned out to be £140,162, which was a little more than the anticipated sum and a little smaller than those of the Commercial Bank of Scotland, and the Union Bank regained its status of the senior Glasgow bank, though its deposits decreased, as Campbell feared.⁴ "5^m for guarantee" might be slipped into the balance sheet. Upon Gairdner's successful task, congratulations were offered by two directors. Seton Thomson wrote that,

1. G.L., 25/3/1884.
2. Ibid., 3/4/1884.
3. Ibid., 5/4/1884. See also *ibid.*, 7/4/1884.
4. See table 5.2.

"My congratulation to you for such a good account.

I must say that I like Mr. Campbell should like to see us show £140,000. I feel that we can do so and I am confident that the public who have heard how we have got out of recent mercantile troubles, would be disappointed if we showed less."¹

Frederick Pitman wrote that,

"Taking everything into consideration the result is more satisfactory than I expected. The only hope I felt inclined to express was 'Show more than £140,000' and I would have telegraphed this but did not like receiving the risk of publicity of telegram. I am glad to hear ... that you have so arranged."²

It is not clear how and where Gairdner found the sum of £5,000 suggested in Campbell's letter. There is, unfortunately, no record to provide us with a clue. It could be construed that Gairdner transferred a part of the losses or some of the charges for the business year of 1883/84 to the next annual balance account. No matter how it was done, in the case of the Union Bank, 'window-dressing' was made by way of an artificial increase in profits. It was said theoretically that,

"Periodically, the banks resort to a device known to the City editors of the newspaper as 'Window-dressing'. That is to say, at times it is considered to be available for the banks to show in their balance sheets large amounts of cash in hand and at the Bank of England. It is sometimes done just before the publication of the monthly statements, and almost always at the half-yearly balancing and publication of accounts. To accomplish the desired result, the banks either let their loans run off, or else call in money from the short loan fund of the market."³

On account of a slight deviation from the theory, the case of the Union Bank could be termed 'quasi window-dressing.'

1. G.L., 8/4/1884.
2. Ibid., 9/4/1884.
3. W.F. Spalding, 1924, p.108.

As the profits came out just as Gairdner and the directors had eagerly hoped, the first barrier to surmount was the external audit. However, that was no problem at all because it is very difficult to believe that William MacKinnon, external auditor, who had already deeply committed himself to the most crucial business of the Union Bank, that is, Thomson financing, could be disapproving of the manipulation of his friend, Gairdner. In fact, the annual balance sheet of 1884 easily "satisfied the auditors."¹ Therefore, it should again be claimed that the external audit was quite different from the independent audit.²

The last barrier was the annual meeting of the shareholders, whose holdings of the Bank shares are set out in table 5.13.

Table 5.13

Ownership of the Union Bank, 1885

	<u>1. Number of</u> <u>Shareholders</u>		<u>2. Cumulative</u> <u>Number</u>		<u>3. Number of</u> <u>Shares</u>		<u>4. Cumulative</u> <u>Number of</u> <u>Shares</u>	
		%		%		%		%
Over 1,000	7	0.4	7	0.4	16,550	16.6	16,550	16.6
1,000-501	15	0.9	22	1.3	10,820	10.8	27,370	27.4
500-101	144	9.1	166	10.4	30,627	30.6	57,997	58.0
Under 100	1,422	89.6	1,588	100.0	42,003	42.0	100,000	100.0

Source: Appendix, IV.C.

Remarkably, as little as 1.3% of the total proprietors held almost one third of the Bank capital, and a little more than one tenth of them owned nearly 60% of the capital stock. The largest shareholders are set out in table 5.14; the Dennistouns were the relatives of Seton Thomson, director, C. Campbell himself director, C. Tennant deputy chairman, J.Y. Buchanan director, P. Stirling extraordinary director and J. Buchanan, T.R. Buchanan and W.D. Gairdner relatives of the director and general manager. In the aggregate, holdings of the deputy chairman, ordinary and extraordinary directors, general manager (see also table 5.23) and their relatives amounted to 19% of the Bank shares, which certainly made it easier for Gairdner and

1. G.L., 19/4/1884.

2. See chapter 5.1.

Table 5.14Large Shareholders, 1885

1. A. Dennistoun (Golfhill, in trust of Miss Mary Dennistoun)	5,500
2. C. Campbell (director of the Bank)	3,100
3. Baron Roissard de Bellet (Paris)	2,250
4. R. Dennistoun (in trust of the late)	2,010
5. G.C. White (Ayr)	1,585
6. C. Tennant (deputy chairman of the Bank, MP, of St. Rollox)	1,100
7. G. Barbour (Edinburgh)	1,005
8. T.R. Buchanan (MP, Edinburgh)	1,000
9. J.F. Monteith (of Carstairs)	865
10. J.Y. Buchanan (director of the Bank)	850
11. F.C. Buchanan (Helensburgh)	840
12. J.A. Jamieson & G. Dalziel (WS, Edinburgh, in trust)	771
13. J. Buchanan (Edinburgh, executors of the late)	737
14. A. Russell (Glasgow)	700
14. J. Wilson (Killearn Station)	700
14. W.D. Gairdner (Ayr)	700
17. A.R. Forbes (University Club, Edinburgh)	657
18. Miss Barbara Anderson (Edinburgh)	650
18. Miss Christina Anderson (Edinburgh)	650
20. A. Rutherford (Glasgow)	645
21. P. Stirling (of Kippendavie, Perthshire)	550
22. R. Blair (Confectioner, Edinburgh)	505
	<hr/>
	27,370
	<hr/>

Source: ~~a~~ of table 5.13.

the directors to get their policy through the annual meeting. Indeed, "the annual meeting (of April 1884) of the Bank ... passed off so quietly and so satisfactory. The report ... pleased the shareholders and all concerned."¹

Whether larger profits provoked claims by the shareholders to increase the dividend is not exactly known, but it can be suspected that there might be certain demands, as C. Campbell expressed that,

1. G.L., 25/4/1884.

"I am glad to think we can meet the objection that our profits are always large !!! So that if the shareholders suffer we shall please the public."¹

In the circumstances of the Bank being confronted with the Thomson affairs and suffering from rumours about even its own financial situation and also being almost overtaken by the Clydesdale Bank, profits, at least larger than those of the fellow Glasgow bank, were of vital importance for Gairdner and the directors to maintain their status. Their policy towards the shareholders was seemingly successful, though the Union Bank was again overtaken by the Clydesdale Bank in 1885. The dividend was not raised during this whole period, remaining at 12%.

2. The Change of the Pattern of Branch Network

Between 1879 and 1885, the Union bank, probably together with other banks, rarely opened a new country branch. Indeed, the Scottish banks were often in negotiation to withdraw their branches on behalf of each other. First in February 1880, the board of the Union Bank resolved that,

"This Bank was to withdraw from Neilston in favour of the Clydesdale Bank; and the Clydesdale Bank to withdraw from Bathgate in favour of this Bank. ... It was further agreed that a donation of £150 should be paid, after the lapse of one year, to the present agent of the Clydesdale Bank in Bathgate, provided their deposits business shall then have been in main transferred to this Bank."²

Arrangements to the same effect were made with the Commercial, National Banks and Bank of Scotland which withdrew their business at Kincardine in 1880, Bridge of Allan in 1882 and Johnstone in 1882 respectively. In exchange for these withdrawals, the Union Bank retreated from Peebles, Selkirk and Montrose, and Innerleithen on behalf of the Commercial Bank, the National Bank and the Bank of Scotland respectively.³ In addition, the Union Bank independently discontinued four branches at Hatton, Kincaigie, Lumsden

1. G.L., 16/1/1885.

2. U.B.M., 25/2/1880.

3. Ibid., 25/2/1880, 1/12/1880, 15/2/1882, 17/3/1882.

and Bothwell and also reduced branches at Stonehouse and Blairgowrie to sub-branches.¹ Apparently, the Union Bank was following the policy of tightening the branch network.

Maps 5.1, 5.2 and 5.3 suggest that a fundamental change in branch distribution during the whole period from the outset of the Union Bank to 1885 happened between 1844, a year after the Bank adopted the national title, and 1858, when it accomplished rapid growth. From map 5.1, we can see how moderate the branch network of the Union Bank was despite its claim of being a national bank. More than two thirds of the branches were located in the West and South and there were no branches in the Grampian area and Tayside, as table 5.15 shows. At first, the branch network of the Bank covered the whole nation in the late 1850's as map 5.2 exhibits, numbering 99. By comparison with this tremendous development, any fundamental or remarkable change cannot be seen from 1858 to 1885. It could be, therefore, argued that the pattern of the Union Bank branch establishment was basically settled by the late 1850's.

However, it was also true that the number of branches had increased. In terms of regional distribution, thirteen were created in the North and East, among which five were in Edinburgh and two in Aberdeen, and sixteen were created in the West, among which five were in Glasgow.² This pattern of establishing branches suggests that the money of the Union Bank was flowing increasingly from the North and East to the West and was also due to the further concentration of population in big cities where large deposits were expected to be gathered, as we have seen in the 1870's.

What factors did slow down the further development of branch establishment? One thing is obvious that the retardation resulted from the harmonious withdrawals of branches negotiated among the Scottish banks. The number of Scottish bank branches might be approaching a limit. Indeed, the average increase of the Scottish branches per year was 7 from 1879 to 1885, in contrast to 15 in the period between 1865 and 1879.³

1. U.B.M., 21/9/1881, 8/2/1882, Appendix, IV.C.

2. Appendices IV.B and C.

3. S.G. Checkland, 1975, table 44.

Map 5.1

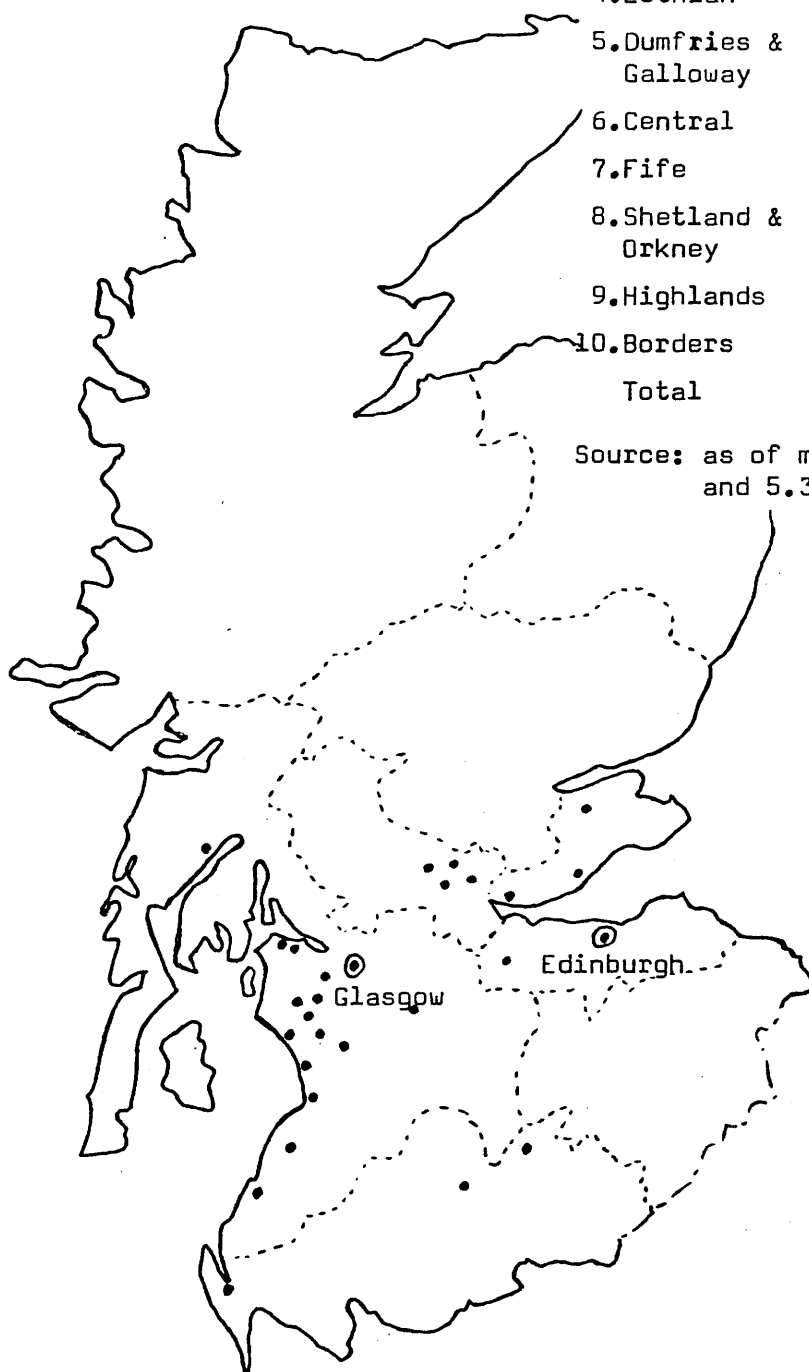
Regional Distribution of Branches
of the Union Bank of Scotland, 1844

Table 5.15

Number of Branches,
1844, 1858 and 1885

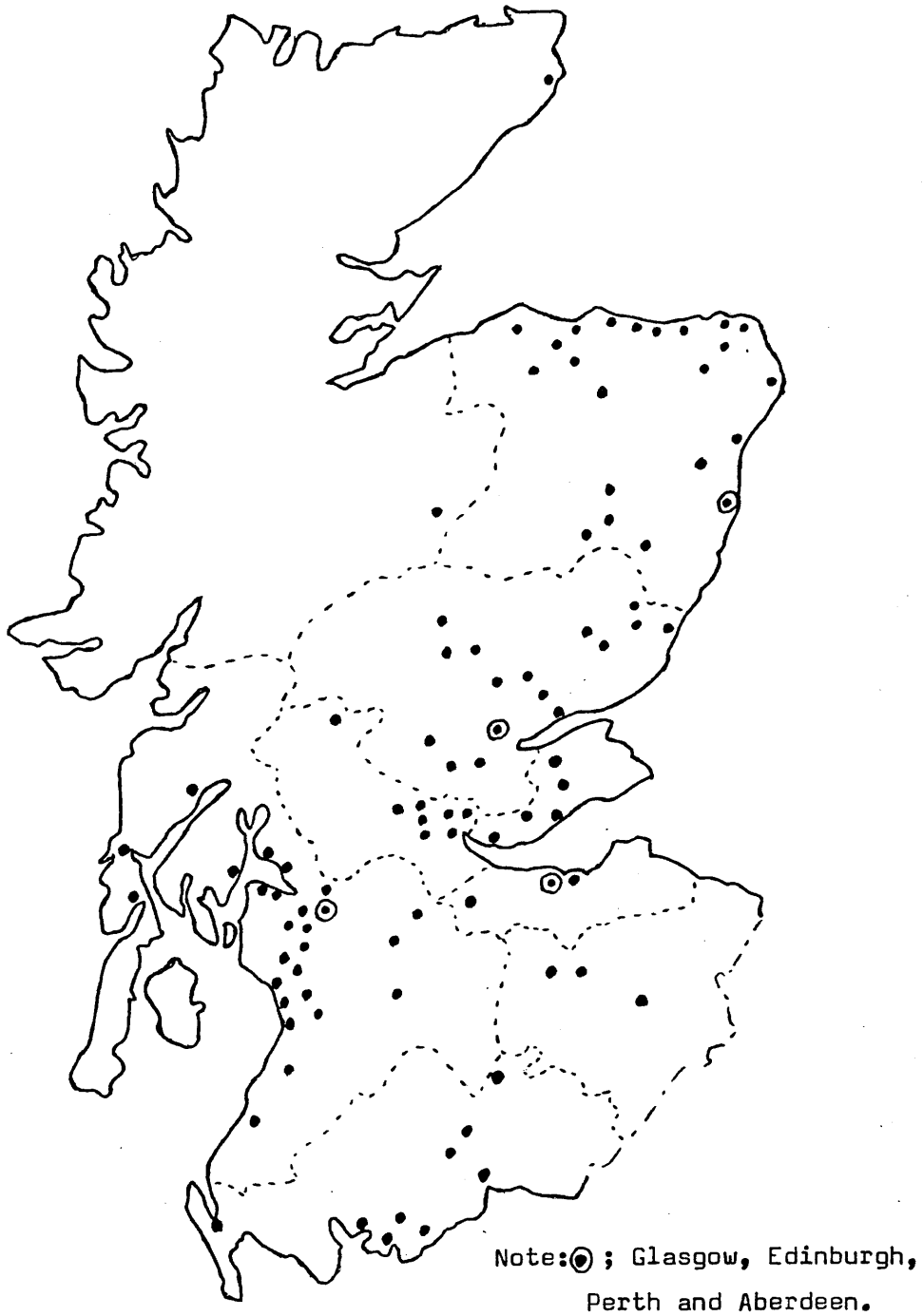
	<u>1844</u>	<u>1858</u>	<u>1885</u>
1.Strathclyde	15	29	45
2.Grampian	0	22	24
3.Tayside	0	16	17
4.Loathian	1	3	9
5.Dumfries & Galloway	3	9	9
6.Central	4	8	8
7.Fife	3	5	6
8.Shetland & Orkney	1	2	5
9.Highlands	0	2	2
10.Borders	0	3	0
Total	27	99	125

Source: as of maps 5.1, 5.2
 and 5.3.



Map 5.2

Regional Distribution of Branches of the Union Bank of Scotland,
1858



Source: Appendix IV.B.

Map 5.3

Regional Distribution of Branches of the Union Bank of Scotland,
1885



Notes: 1. ⊙ ; Glasgow, Edinburgh,
Perth and Aberdeen.

2. X ; Branches withdrawn
since 1858.

Source: Appendix, IV.C.

The Union Bank in particular was led by Charles Gairdner who from the earlier years of his office hesitated before creating branches¹ and still, or increasingly, held to this attitude as the Edinburgh manager, H.H. Norie reveals that;

"The B.L.Co. are to open in Fraserburgh in a few days, and No. of Scotland opened in Lerwick. I am afraid I can no longer prevent our board from entertaining the offers of agencies which every now and then crop up. You know my opinion on this subject is the same as your own, you can easily understand that it is difficult for me to persuade our directors that we ought not to endeavour to enlarge our business."²

It is totally unknown where the directors wished to create branches and what the results were, but it is quite clear that Gairdner and his fellow Edinburgh manager objected to any further creation of branches. Norie's letter also suggests that Gairdner, together with the Edinburgh manager, was reluctant "to enlarge our business" in general. It could be argued that the development of branch network was a "highly important expansive factor"³ as S.E. Thomas suggested and, therefore, that the Union Bank of Scotland lost the initiative to develop its overall business when its leader, Charles Gairdner, preferred a policy of retarding the branch establishment.

Intensive inspection of branches continued. In one case, even a small deficiency of £20 had to undergo a special investigation by the head office inspector.⁴ Otherwise, reports of irregularities in the conduct of agencies almost disappeared from the minute book. Dismissal of an agent was reported in only one case, at the Doune branch, whose agent ignored instructions from the head office, causing a large decrease in deposits.⁵ In addition to regular inspections, Gairdner, together with some of the directors, undertook holiday trips making surprise inspections especially in the North.⁶ Regular and thorough branch inspections were a rooted

1. See chapter 3.2(5).

2. G.L., 12/4/1883.

3. S.E. Thomas, 1934, p.299.

4. U.B.M., 12/10/1881.

5. Ibid., 26/7/1882.

6. Ibid., 25/8/1880. G.L., 30/7/1884.

policy of Gairdner.

The largest and most important branch of the Union Bank was, of course, the London office which increasingly placed funds in short-term lending and government securities as has been discussed already. In order to supervise this office, the Union Bank instituted a London committee which was composed of Gairdner, three to four directors and the head inspector, A.B. Henderson. The committee usually visited London twice yearly, in March and October.¹ In inspecting the London office, Gairdner attached the most importance to portfolios of investments and securities of short-term loans to bill and stock brokers. Usually one of the directors, accompanied by the London manager, proceeded to the Bank of England verifying in its books in which the government securities purchased by the Union Bank were actually kept. It was also on these occasions that sales and purchases of government securities, on a large scale, were planned and executed. Inspections of the London office did not reveal any irregularities, at least until 1890.²

3. The Structure, 1885

Various records regarding the staff and salaries in this period provide us with more details than at any previous period - from which we can re-build the structure of the Union Bank of Scotland in 1885.

Important changes in the posts of the higher staff in this period occurred exclusively in the London and Edinburgh offices. In January 1880 when the London assistant accountant, A.B. Shand, was re-employed by the Bank of Africa, a clerk at London succeeded to the office.³ In April 1883 when the London assistant manager, J.E. Murray, applied for the vacancy as Kirkcaldy agent, which was given, another clerk at London succeeded to the office.⁴ Furthermore in November 1884 when the new assistant manager resigned to go to an unknown bank, the Aberdeen secretary, A. Gordon, was transferred to the office. The vacancy for the Aberdeen secretaryship was filled

1. U.B.M., 27/10/1880 and passim.

2. The Union Bank faced difficulties in the Baring Crisis of 1890. (R.S. Rait, 1930, pp.324-6).

3. U.B.M., 28/1/1880.

4. U.B.S.B., 27/4/1883. U.B.G.C., 2/8/1883.

by the sub-inspector of the Glasgow head office, W. Mitchell.¹ In Edinburgh, two changes were made. In May 1881 when the manager, A. Butter, tendered a plea to move to Perth on account of an unknown conflict between him and his staff, the directors accepted it, appointing the Perth cashier, H.H. Norie, to be Edinburgh manager.² In October 1882 when the Edinburgh secretary, J. Norwell, died, the confidential clerk to the manager and secretary at Edinburgh succeeded to the office.³

These examples of staff movement suggest some features of branch character. In the first place, London was the place where Scottish young bankers were recruited by other banks, especially by overseas banks. This case is exemplified by A.B. Shand, who was obviously a native of Scotland and who probably started his banking career there, possibly in the Union Bank. He was recruited by the Union Bank from the Merchants' Bank of Canada at the outset of the London office⁴ and, in a brief tenure of less than two years, resigned to take office in another overseas bank. London must have been regarded by young Scottish bankers as a gateway to success. Indeed, some of the Union Bank staff were very anxious to go to London even without an increase in their salaries.⁵

In the second place, three vacancies for higher posts, that is, London assistant manager, Edinburgh manager and secretary, were filled by the staff at the London, Edinburgh, Aberdeen and Perth offices. None of the Glasgow head office staff was appointed to these offices. The fact that notable transfers of the higher staff happened entirely between London and cities on the east coast of Scotland suggests that there might be a certain similarity in the character of business in these cities, especially between London and Edinburgh both of which were financial centres.

In the third place, there emerged another higher ranked branch to which staff wished to be promoted, that is, the Kirkcaldy office. The case is illustrated by J.E. Murray who was promoted from the

1. U.B.G.C., 27/11/1884.

2. U.B.S.B., 17/5/1881. U.B.G.C., 17/5/1881.

3. Ibid., 19/10/1882.

4. See table 4.8.

5. G.L., 8/10/1884 and passim.

Leith agency to be assistant manager at London office in 1878. When the vacancy at the Kirkcaldy agency occurred, Murray, deserting the post in London, applied for the vacancy and gained it after severe competition with a solicitor at Kirkcaldy and three of the Kirkcaldy staff.¹ Consequently, we may add the Kirkcaldy office to the group of highly ranked branches of Kilmarnock, Greenock, Paisley, Perth and Leith.²

Regarding recruitment for the lower staff, only the case of the Edinburgh office is known, and this is set out in table 5.16. Remarkably, nearly 85% of the Edinburgh staff, who were in the service of the Union Bank between 1879 and 1885 were recruited from the offices under the charge of the Edinburgh directors. The Stranraer branch, which was under the Glasgow head office, used to be the branch of the banking firm of Sir William Forbes & Co. The Perth branch also had a close relationship with the Edinburgh office as the case of the Perth cashier being promoted to be Edinburgh manager indicates. It is quite understandable that the Edinburgh directors selected their staff from branches with which they were

Table 5.16

Years and Places of Entrance to the Union Bank of Edinburgh staff

	<u>Prior to</u> <u>1858</u>	<u>1858/</u> <u>1865</u>	<u>1866/</u> <u>1878</u>	<u>1879/</u> <u>1885</u>	<u>Total</u>
1. Edinburgh Head Office	6	5	6	1	18
2. Edinburgh Town Branches ¹	0	0	9	0	9
3. Other Edinburgh Branches ²	1	3	5	1	10
4. Other Branches & Bank					
a. Elgin	0	0	1	0	1
b. Kilmarnock	0	1	0	0	1
c. Perth	0	0	0	3	3
d. Stranraer	0	1	0	0	1
e. Ship Bank	1	0	0	0	1
Total	8	10	21	5	44

Notes: 1. Downie Place, Forrest Road, Haymarket, Hunter Square Morningside, Newington and Norton Park in 1885.

2. Lerwick, Kirkwall, Leith and Kirkcaldy.

Source: U.B. (Edinburgh), Staff and Salary Records.

1. U.B.S.B., 27/4/1883.

2. See chapter 4.3(3).

well acquainted. It should also be noted that nearly two thirds of the Edinburgh staff were recruited inside the city of Edinburgh, that is, the head office and town branches. D.R. Kemp entered the Union Bank at the Edinburgh head office in April 1862, being transferred to the George Street branch as receipt clerk. Next, he was promoted to clerk at that branch and returned to the head office in 1864 as receipt clerk, continuing the duty till 1870 when he was given the higher duty of ledger clerk. In four years, he was again transferred, this time to the Canongate branch (discontinued before 1885) as agent and returned to the head office in 1876 as confidential clerk, which was the highest post among clerks. Eventually in 1883, when the secretary died, he succeeded to that office.¹

Comprehensive material on the salaries of the Union Bank staff are for the first time available in this period. The total amount of their salaries did not visibly increase as table 5.17 shows, in contrast to the sharp increase in the years of 1866/79, and even decreased from 1881 to 1883 when the Bank was suffering severely from the Thomson affairs. Gairdner and the directors must have been subduing increases in the staff salaries which were a major item of the Bank charges in the profit and loss account. The decline in the cost of living was also a factor, enabling the Bank to keep salaries down.²

Salaries of the major officials of the Union Bank are set out in table 5.18. Eight of the thirteen officials enjoyed salaries of more than £1,000 which "represented considerable worldly success ... and placed a man, economically speaking, well towards the top of the middle classes."³ Above all, £3,500 for the general manager, which was double the initial salary of £1,750 in 1862, was far more than most incomes of the upper middle classes and thirty times larger than the average salary of the staff at the secretary's department of the Edinburgh office in 1885 (see table 5.20). Indeed, the Scottish general manager was a grandee "of somewhat remote kind"⁴

1. U.B. (Edinburgh), Staff and Salary Records. See also table 5.19.

2. B.R. Mitchell and P. Deane, 1976, p.334.

3. W.J. Reader, 1966, p.202.

4. S.G. Checkland, 1975, p.489.

as Professor S.G. Checkland argued. The list of salaries of major officials also suggests that there was emerging a certain ranking among them. Next to the general manager came the Glasgow assistant manager who was effectively the head of the Glasgow head office. The third official was the London manager whose ranking overtook that of the Edinburgh manager. The Edinburgh manager, despite the fact that the Edinburgh office was termed head office, came next to the Glasgow cashier, ranking with the Glasgow secretary and head inspector. This ranking apparently resulted from two features of the policy of the Union Bank, that is, money flow from the North and East to Glasgow, from thence to London, and strict inspections of branches. The Edinburgh head office might simply be regarded as a large branch, by Gairdner and the directors.

Table 5.17

Salaries of the Union Bank Staff, 1880 - 1885

	<u>1.Glasgow</u> <u>Head Office</u>	<u>2.Edinburgh</u> <u>Head Office</u>	<u>3.London</u> <u>Office</u>	<u>4.Glasgow</u> <u>Branches</u>	<u>5.Edinburgh</u> <u>Branches</u>	<u>6.Total</u>
1880	£23,444	£7,057	£4,456	£43,510	£5,460	£83,927
	28%	8%	5%	52%	7%	100.0%
81	23,920	6,947	4,761	43,471	5,480	84,579
	28	8	6	52	6	100.8
82	24,000	6,862	5,251	42,624	5,505	84,242
	28	8	6	51	7	100.4
83	23,990	5,952	5,338	42,515	5,770	83,565
	29	7	6	51	7	99.6
84	23,305	6,272	5,498	42,537	6,060	83,672
	28	7	7	51	7	99.7
85	23,320	6,422	5,358	42,674	6,345	84,119
	28	8	6	51	7	100.2

Notes: 1. % of columns 1-5; as of total.

2. % of column 6; growth rate; 1880;100.

3. Date as in April each year.

Sources: U.B. (Glasgow), MSS. U.B. (Edinburgh), Staff and Salary Records.

Table 5.18Salaries of Major Officials of the Union Bank, 1885

1. General Manager (C. Gairdner)	£3,500
2. Glasgow Assistant Manager (J. Affleck)	2,000
3. London Manager (J.A. Fradgley)	1,750
4. Glasgow Cashier (G.N. Hill)	1,500
5. Edinburgh Manager (H.H. Norie)	1,000
5. Glasgow Secretary (J. Gray)	1,000
5. Edinburgh Secretary (J. Norwell)	1,000 ¹
5. Glasgow Inspector (A.B. Henderson)	1,000
9. Aberdeen Cashier (J. Cook)	850
10. Edinburgh Secretary (D.R. Kemp)	700
11. Glasgow Accountant (G. Willock)	600
11. London Assistant Manager (J.E. Murray)	600 ²
11. Perth Cashier (A. Butter)	600

Notes: 1. Died in 1883 and succeeded by D.R. Kemp.

2. 1880.

3. Otherwise date as in April 1885.

Sources: U.B. (Glasgow), MSS. U.B. (Edinburgh), Staff and Salary Records. U.B.S.B.

A complete list of salaries of the Edinburgh staff (table 5.19) and the average amount of salaries of the staff in seven departments at the two head offices (table 5.20) give us some more details of the staff organisation. From the list of the salaries of the Edinburgh office, it is fair to say that a rise in salary was allowed approximately every two years and to the extent of £10. Increases larger than £40 were sanctioned only for the officials and for clerks who were to be promoted from the lower staff to the officials as the case of Kemp illustrates. In terms of salary, the clerks of the cashier's department, that is, tellers, were most favourably treated. But it seems to have been the secretariat and inspectorate who had more chances of being promoted, as exemplified by Kemp and the Glasgow inspectors.

Table 5.19

Edinburgh Staff of the Union Bank, 1881-1885

	<u>1. Office</u>	<u>2. Place & Year</u>		<u>3. Salary</u>			
	<u>Duty</u>	<u>of Entrance</u>		<u>81/82</u>	<u>82/83</u>	<u>83/84</u>	<u>84/85</u>
<u>A. Officials</u>							
1.H.H. Norie	Manager	Kilmarnock	1859	£1,000	£1,000	£1,000	£1,000
2.J. Norwell	Secretary	Ship Bank	1835	1,000	1,000	(r)	
3.J. Smith	Accountant	HO	1846	400	400	400	400
4.D.R. Kemp	Secretary	HO	1862			500	700
sub total				2,400	2,400	1,900	2,100
<u>B. Cashier's Department</u>							
5.C.W. Cowans	Teller	HO	1857	300	300	(r)	
6.J.R. MacGibbon	do.	HO	1862	200	200	(t)	
7.R. Glegg	do.	HO	1863	180	180	200	200
8.J.R. Jones	do.	HO	1869	160	160	170	170
9.P. Peace	do.	Kirkwall	1858			220	220
10.J. Shand	do.	Lerwick	1868			150	150
sub total				840	840	740	740
<u>C. Secretary's Department</u>							
(a) Securities, dividend, transfer and enter special correspondence.							
11.D.R. Kemp	Confidential clerk	HO	1862	350	350	(to A4)	
12.J. Shand		Lerwick	1868	120	120	(to B10)	
13.A. Sinclair		George St.	1878	45	55	65	75
14.W. Graham		HO	1871			160	160
(b) Correspondence.							
15.W. Graham		HO	1871	120	120	(to C14)	
16.C. Keene		Downie Pl.	1876	60	70		
17.G.J. Deas		HO	1857			160	170
18.P.S. Irvine		Perth	1879			60	70
sub total				695	715	445	475
<u>D. Accountant's Department</u>							
19.P. Peace	Check clerk	Kirkwall	1858	210	210	(to B9)	
20.R.S.H. Ponnie	do.	Lerwick	1858	190	190	200	200
21.H.G. Laurie	Clearing house clerk	HO	1852	200	200	200	200
22.A.R. Forbes		HO	1856	140	140	150	150

Table 5.19 (Continued)

	<u>1. Office/ Duty</u>	<u>2. Place & Year of Entrance</u>	<u>3. Salary 81/82</u>	<u>82/83</u>	<u>83/84</u>	<u>84/85</u>
23.	J. MacPherson Cash sheets	HO 1856	£190	£190	£190	£200
24.	G.S. Deas do.	HO 1857	150	160	(to C17)	
25.	A. Thomson	Leith 1855	170	170	180	190
26.	W. Jones Bill clerk special a/c	HO 1861	210	210	250	250
27.	J. Mason	HO 1868	110	120	(t)	
28.	G. Martine	HO 1873	100	110	(r)	
29.	J.D. Lawson Check clerk	Stranraer 1864	150	150	165	165
30.	J. Crichton Bill collec- ting	HO 1873	100	100	100	110
31.	Clerk a	HO 1866	110	120	(t)	
32.	b	Leith 1871	100	120	120	130
33.	c	Kirkwall 1862	130	150	150	160
34.	d	Elgin 1868	100	100	115	115
35.	e	Leith 1868	160	(r)		
36.	f	George St. 1866	115	(r)		
37.	g	George St. 1878	45	55	(t)	
38.	h	Downie Pl. 1871		80	(t)	
39.	i	HO 1862			120	130
40.	j	Canongate 1877			60	70
41.	k	Perth 1879			60	(to C18)
42.	l	Downie Pl. 1876			90	100
43.	m	Leith 1878			65	75
44.	n	Newington 1878			50	60
45.	o	HO 1883			40	50
46.	p	Newington 1873			180	180
47.	q	Leith 1872				90
48.	r	Perth 1879				70
49.	s	Perth 1881				50
	sub total		£2,680	£2,575	£2,535	£2,625
	<u>E. Porters</u>					
50.			242	242	242	242
51.			242	242	242	242
52.			242	242	242	242
	Total		£6,857	£6,772	£5,862	£6,182

Note: (r) in column 3; retire. (t) in column 3; transfer to other office.

Source: as of table 5.16.

Table 5.20

Average Salaries of Lower Staff at the Glasgow and Edinburgh
Head Offices of the Union Bank, 1882 - 1885

Glasgow Head Office

		<u>Cashier's</u>	<u>Secretary's</u>	<u>Accountant's</u>	<u>Inspector's</u>
		<u>Dept.</u>	<u>Dept.</u>	<u>Dept.</u>	<u>Dept.</u>
1882	a	£281	£197	£-	£154
	b	8	10	-	12
83	a	281	204	-	162
	b	8	9	-	12
84	a	232	187	155	170
	b	8	10	47	11
85	a	243	192	152	156
	b	8	10	47	12

Edinburgh Head Office

1882	a	£210	£139	£141
	b	4	5	19
83	a	210	143	143
	b	4	5	18
84	a	185	111	133
	b	4	4	19
85	a	185	119	125
	b	4	4	21

- Notes: 1. a; average salary
 2. b; number of staff
 3. Date as in April each year.

Sources: U.B. (Glasgow), MSS. U.B. (Edinburgh), Staff and Salary Records.

There was a wide difference in the salaries of the agents as table 5.21 shows. The salary of the Kilmarnock agent was eight and half times larger than that of the Banchory agent. Salaries at the Kilmarnock, Paisley, Glasgow St. Vincent Street and Kirkcaldy offices could well rank with those of the officials at the chief offices. From this, the Glasgow St. Vincent Street branch must be added to the group of highly ranked branches. On the other hand, the salaries of the agents of minor importance such as at Cupar Angus etc. were well below those of the accountant's staff at the Glasgow head office. Consequently, it could be argued that the Union Bank had four levels of discrimination in salaries, that is,

Table 5.21

Salaries of Some Agents of the Union Bank, 1879 - 1885

1. Kilmarnock	£850	15. Fraserburgh	£200
2. Paisley	750	15. Leslie	200
2. Glasgow	750	18. Aberdeen West End	180
St. Vincent Street		19. Buckie	170
4. Kirkcaldy	400	19. Edzell	170
5. Ayr	350	21. Tarbert	160
6. Stirling	300	22. Cupar Angus	150
6. Stranraer	300	22. Doune	150
8. Glasgow Anderston	275	22. Dunkeld	150
9. Peterhead	260	22. Helensburgh	150
10. Blairgowrie	250	22. Keith	150
10. Glasgow Partick	250	22. Kirriemuir	150
10. Troon	250	22. Tillicoultry	150
13. Moffat	230	29. Turriff	130
14. Govan	225	30. Aberlour	120
15. Aberfeldy	200	31. Banchory	100

Sources: U.B.S.B., passim. U.B. (Glasgow), MSS.

between the officials and the clerks, between the departments at the head offices, between the head offices and chief offices and the agents, and between the agents themselves.

The Union Bank for the first time established a scale of salaries, though it was only at the Glasgow head office, presumably on the model of Glyn & Co.¹ The scale had seven grades as table 5.22 sets out. The duty of the clerk in the first grade was

Table 5.22

Scale of Salaries at the Glasgow Head Office in the Early 1880's

<u>Grade</u>	<u>Salary</u>
Apprentice	£20, 25, 35
Clerk 1st grade	£60-100
2nd grade	100-160
3rd grade	160-240
4th grade	240 and over
5th grade	average 280
6th grade	average 282

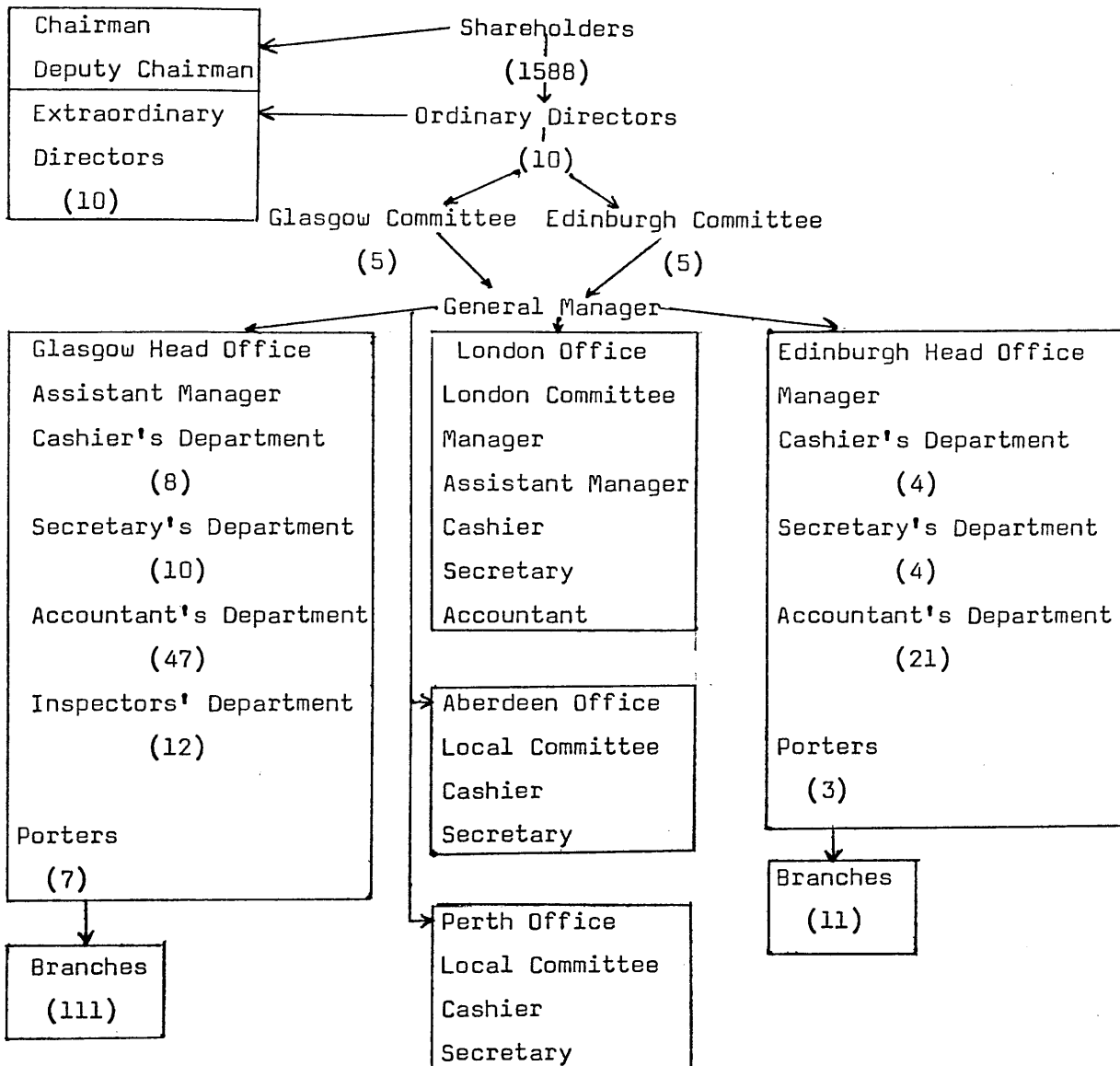
Source: U.B. (Glasgow), MSS. (no date, but undoubtedly in the early 1880's).

to make entries in books and write drafts and vouchers. The clerk in the second grade was also termed the second or supplementary clerk and he was engaged in giving notice of bills due, posting daily lists of bills and dealing with the London accounts. The clerk in the third grade was entrusted with more sophisticated duties, being termed the first clerk. Because of his specialised duties, he was also called the assistant cheque clerk or protested bill clerk or sub-inspector. The clerk in the fourth grade was simply more senior than the third-graded clerk, being termed the second or senior discount clerk, or senior or first senior ledger clerk, or assistant accountant, or sub-inspector. The clerk in the fifth grade was authorised to sign "pro manager",² assisting the head of the department.

From the variety of data we have used, we can re-build the structure of the Union Bank of Scotland in 1885 and this is shown in diagram 5.5. Inside the Glasgow head office, the inspectors'

1. See chapter 4.3(3).

2. U.B. (Glasgow), MSS.

Diagram 5.5Structure of the Union Bank of Scotland, 1885

Notes: 1. (); number of shareholders/directors/staff/branches.
 2. —→; direction of control/selection.

Sources: U.B. Contract of Co-partnership. U.B.S.B. U.B.G.C.
 U.B. (Glasgow), MSS. U.B. (Edinburgh), Staff and
 Salary Records.

department ought to be distinguished from the rest because the duty of the department was to investigate all accounts and the conduct of business of the Union Bank, Glasgow head office included. Outside the two head offices, the London, Aberdeen, and Perth branches ought to be distinguished from the rest because of their importance. The most important staff member was undoubtedly the general manager, Charles Gairdner, whose career and personality should be worth detailing.

5

CHARLES GAIRDNER: ACCOUNTANT, STOCK-BROKER, ECONOMIST AND BANKER

The general managership was certainly the most important post of any bank, and the Union Bank of Scotland was no exception. By 1885, Charles Gairdner had already been the general manager for twenty-three years. Even George Readman, who took the initiative in publishing balance sheets, making an experiment in taking time deposits and leading the Clydesdale Bank in its invasion of England, held the office of general manager only for twenty-eight years between 1852 and 1880.¹ After the retirement of Readman, Gairdner was undoubtedly the most senior general manager in Scottish banking as is proved by his letter addressed to J.A. Wenley, treasurer of the Bank of Scotland stating that,

"I have your letter of yesterday and am sorry that another meeting (of the Scottish bank managers) would be thought necessary. If it be so it would require to be tomorrow at 3.45 p.m. I send you minute amended in a way which would, I think, be a considerable improvement and I hope the other gentlemen may be able to adopt it and so avoid the meeting of our having to have (sic) tomorrow."²

Although the treasurer of the Bank of Scotland was traditionally in the chair at the general managers' meetings, it was Gairdner who presided over the meetings, behind scenes.

1. J.M. Reid, 1938, p.288. S.G. Checkland, 1975, p.543.

2. B.S. (Edinburgh), MSS, C. Gairdner to J.A. Wenley, 11/1/1883.

Charles Gairdner, born in January 1824 at Ayr, was the son of Charles Dalrymple Gairdner who had just entered the service of Hunters & Co. in 1821. Charles Gairdner was educated at Kilmarnock Academy and Edinburgh. He was then apprenticed to James M'Clelland, accountant and stock broker at Glasgow and later a senior partner of M'Clelland, MacKinnon & Blyth, chartered accountants. In 1843, at nineteen years of age, he entered the firm of Peter White, stock broker and accountant at Glasgow, becoming a partner in 1845. Later, Gairdner joined two institutions; the Institute of Accountants and Actuaries in Glasgow, established in May 1855, in which he was one of the original members of 49, and the Glasgow Stock Exchange Association, in which he became a member of the committee of 1855/56. Consequently, Gairdner was the accountant and stock broker till aet. 32 in 1856. The double career, as accountant and stock broker, which was rather common in this period as the cases of M'Clelland and White indicate, might have determined his role as general manager of the Union Bank. Indeed, his energy was poured into investigations of the accounts and branches of the Bank, in which his qualification as chartered accountant must have been tremendously useful, and the portfolio of the Bank's investments during his managership grew extraordinarily as has been already mentioned.¹

The years between 1857 and 1862 were crucial in Gairdner's life. In January 1858 when a group of liquidators of the failed Western Bank of Scotland was to be formed, Gairdner became a liquidator and continued his duty until 1865 when the affairs of liquidation were handed over to the firm of M'Clelland & MacKinnon, chartered accountants and intimate friends of Gairdner, and which Gairdner's eldest son afterwards joined as a partner.² It was during this duty that Gairdner was also asked by the directors of the Union Bank to investigate its accounts. He came up to their expectation, finding out many doubtful accounts. His connection with Scottish banking, thus, commenced from being the liquidator of

1. The Bailie, 12/2/1879. Glasgow Stock Exchange Association, 1898, pp.29, 57. G.H., 20/2/1899. Anon., 1904, Charter, Bye-Laws, Rules and Regulations of the Institute of Accountants and Actuaries in Glasgow, p.5. W.H. Bailey, 1947, p.24. C.G.D. Tennant, 1979, p.19.

2. G.H., 20/2/1899.

a failed bank and the investigator of the surviving bank, which led to him becoming a bank manager in 1862.

It should be noted that Gairdner voluntarily became a liquidator of the Western Bank, as a contemporary writer revealed.¹ The liquidation of the large joint-stock bank was undoubtedly a tremendous task through which the ambitious youth would enhance his reputation. Therefore, that he aspired to make an application for this formidable task suggests that Gairdner was very confident in himself as well as ambitious, taking full advantage of the task in order to become a banker. There might have also been the influence of his father, a partner of the late firm of Hunters & Co. and the acting agent of the Union Bank at Kilmarnock. Indeed, he had already become a shareholder of the Union Bank earlier in April 1858² and was well known by 1857 at the latest, by the directors of the Union Bank, especially by the Edinburgh directors, who had begun to desert their manager, J. Robertson.³

The first three years of Gairdner's joint-managership witnessed his very successful conduct of the business of the Union Bank, just as the late manager, J.A. Anderson, had predicted that,

"I think Mr. Gairdner will prove a great acquisition in the Glasgow office."⁴

Indeed, the Bank could discipline the conduct of branches owing to the activities of Gairdner and at the same time develop its business, reaching a place second only to the Royal Bank of Scotland in Scottish banking in 1865. However, the development of the Union Bank was not necessarily because of the joint-managership of Gairdner and was due rather to a reserve of energy which had accumulated in the course of rapid growth during the 1850's. The commencement of Gairdner's career was thus well aspected.

During the whole period of his office, Gairdner was very careful about his public appearance. He did not directly raise his

1. R. Somers, 1873, pp.135, 146.

2. Appendix IV.B.

3. See chapter 3.1.

4. U.B. (Edinburgh), MSS, J.A. Anderson to A. Butter, 2/6/1862.

opinion on any public affairs. The Glasgow Herald wrote down in his obituary that,

"The controversy of any kind he had a rooted aversion, and his voice was rarely if ever raised in the discussion of political or municipal questions."¹

As the Glasgow Herald also suggested, he took a leading part in social and academic activities, joining social clubs, supporting charitable and benevolent institutions and writing essays on economics. His attitude of standing neutral in political affairs was one of the most important qualifications of the good banker, as J.W. Gilbert argued.²

Did Gairdner really hate to commit himself on political affairs ? The reverse is more likely to be the truth. Ironically, his ambition was disclosed in the prospectus of a social club, "the Adam Smith Club", established in 1868, which read that,

"The idea ... had been suggested to him (Gairdner) from having been present, shortly before, at a dinner of the Political Economy Club of London, when the discussion of the evening was conducted in a manner which was highly interesting and instructive ... that during the period of its existence the leading Parliamentary and other authorities on economical questions had been members of the Club, and that it had thus become the arena in which the views and opinions of the statesmen who during the last generation had taken the chief part in reforming our commercial and social laws had been matured."³

Though the Adam Smith Club itself was merely a social club, it is obvious that Gairdner was very anxious to have a certain influence in politics, despite the claim of the Glasgow Herald.

Indeed, Gairdner gathered many well-known gentlemen around him in the Club - Edward Caird, Professor of Moral Philosophy,

1. G.H., 20/2/1899.

2. J.W. Gilbert, 1849, p.195.

3. Anon., 1884, The Adam Smith Club, pp.3-4. The author might be Gairdner himself.

George C. Ramsay, Professor of Humanity, W.T. Gairdner, Professor of Medicine, John Veitch, Professor of Logic, James Robertson, Professor of Conveyancing, John Young, Professor of Natural History, A.B. M'Grigor, Writer in Glasgow, James A. Campbell, afterwards M.P. for the Universities of Glasgow and Aberdeen, James S. Fleming, Writer in Glasgow and afterwards Cashier of the Royal Bank, R.H. Leadbetter, Merchant in Glasgow, Francis W. Clark, Advocate, Sheriff Substitute and afterwards Sheriff of Lanarkshire. The numbers of the original members were only twelve.¹ Through these people, Gairdner could have tremendous influence on "political or municipal questions". In a sense, he might be a real 'politician'.

In the presence of such distinguished people, Gairdner enjoyed giving papers, the themes of which, surprisingly, ranged from business subjects such as,

"What are the advantages and disadvantages of joint-stock companies as compared with private companies, and to what kinds of enterprise ought they in prudence to be confined?"²

which was given in the middle of 1869, to politics such as,

"The Caucus,"³

which was given in November 1882 when the Union Bank was suffering from the Thomson affairs. The subject of "The Caucus" was proof that he was interested in politics, but he did not proceed further in his real life as Gilbert taught. Indeed, on the one hand, Gairdner maintained a close relationship with a prominent Liberal M.P., Henry Campbell-Bannerman, who was a late partner of J. & W. Campbell (warehousemen, Glasgow) and afterwards prime minister, and, on the other hand, personally contributed to the Conservative funds.⁴

Another remarkable feature of Gairdner was as a writer of economic and banking theory, which started earlier in 1866 when he was asked by the Glasgow Chamber of Commerce to reply to questions

1. Ibid., pp.5-6. J.A. Campbell was the brother of Henry Campbell-Bannerman, the first Prime Minister from Glasgow (see J.A. Spender, 1923, vol. I, pp.3, 9, 30).
2. Anon., 1884, The Adam Smith Club, p.8.
3. Ibid., p.21.
4. G.L., passim. J.A. Spender, 1923, p.20. C.G.D. Tennant, 1979, pp.32-3.

addressed by the Conseil Superieur du Commerce de France regarding the Scottish note issues.¹ By 1885, his writing produced four pamphlets.² One of the four, "The Rate of Discount and Bank Acts" (1872) discloses a part of his theory that;

"1st. That the main consideration that influences Bankers in fixing the rate of discount is the necessity of maintaining a due proportion between their specie reserves and other forms of assets.

2nd. That this due proportion is not a fixed arithmetical proportion, but may, with propriety, vary under varying circumstances.

3rd. That the question what is the due proportion that ought at any particular time to be maintained, must be referred for determination to the judgment of experienced men."³

Having formulated this theory, he advocated the repeal of the Bank Acts of 1844/45 and in lieu of them that,

"it were required that all new Banks desiring to issue notes should give proof of their responsibility and bona fides, by possessing a paid up capital of large amount, - say one million sterling; by unlimited liability, as regards the partners, or if 'limited', then by liability on the shares for a substantial amount beyond the sum paid up; and by publishing their balance sheets periodically, in a form to be prescribed. Let us suppose that this system were extended to England, with the exception only of London and its immediate neighbourhood, and to Ireland."⁴

On the surface, his arguments resembled those of the Banking School in that no rule could be laid down on the proportion of specie.⁵ The idea that "liability on the shares for a substantial amount beyond

1. Anon., n.d., Sketch of Life of Charles Gairdner, p.437.

2. See bibliography.

3. C. Gairdner, 1872, p.12.

4. Ibid., p.36.

5. F.W. Fetter, 1865, p.189.

the sum paid up" was the same as that of reserve liability, under which the Scottish joint-stock banks became limited companies,¹ though it is not certain whether he was the first to suggest the idea. These were the most notable aspects of his argument. His suggestion of new banks of issue being extended to England and Ireland sounds an anachronism in the 1870's, even though many non-issuing joint-stock banks were promoted in England and Wales between the 1860's and early 1870's and the anti-Bank Acts mood still dominated a considerable part of Glasgow businessmen in the early 1870's.²

Without regard to its quality, his writing undoubtedly made him famous as an economist. Indeed, it was for this reason that the University of Glasgow made him an honorary LL.D. in 1889, and Professor Robertson of the department of political economy said at the graduation that,

"As is well known to his fellow citizens, Mr. Gairdner has won for himself a position in the very front rank of bankers by his profound and philosophical knowledge of the subject of banking and by the enlarged and liberal views which he entertains and has expounded regarding it.

These considerations, however important though they be, are not the ground on which I am to ask you, Mr. Vice Chancellor, to confer the degree of Doctor of Laws on Mr. Gairdner. What the Senate are desirous of recognizing is the great merit of the various contributions which from time to time Mr. Gairdner has made, and still continues to make, in the department of political economy, - a department in which we of this University may well be supposed to take a deep and abiding interest, recollecting, as we do, that its principles were first expounded within our walls - this, too, by one of our own professors. On this subject Mr. Gairdner has written - I shall not say has written much - but assuredly what he has written clearly shows that few have studied the subject more successfully, and fewer still have expressed their views upon it with greater consciousness and eloquence."³

1. See chapter 5.1.

2. M. Gaskin, 1955, pp.17-8. P.L. Cottrell, 1980, p.195.

3. G.H., 27/4/1889.

It may have been too great an exaggeration when Professor Robertson compared Gairdner with "one of our own professors", Adam Smith, though his words may have been ceremonial and diplomatic ones. The honorary degree must have further enhanced his fame as a scholar.

Our next, and last, subject is whether Gairdner was successful on his home ground, as general manager of the Union Bank. This subject can be dealt with by examining relationships between Gairdner and the directors, and these are illuminated by two affairs, that is, selection of the directorate and authorisation of credits to the directors' companies.

During the period between 1879 and 1885, the Union Bank had eleven directors, as table 5.23 sets out. The most senior and influential director was undoubtedly Colin Campbell, who was the second largest shareholder (see table 5.14) and who had continued in office

Table 5.23

<u>Directorate, 1879-1885</u>	<u>Term of Office</u>	<u>Share Holding</u>
1. Sir Thomas J. Boyd (Edinburgh)	1876/1901	100
2. J.Y. Buchanan (Edinburgh)	1879/83, 1884/1900	850
3. C. Campbell (of Colgrain)	1857/62, 64/69, 71/85	3,100
4. A. Crum (of Thornliebank, Merchant, M.P.)	1874/92	100
5. J. Currie, (Leith, Merchant)	1877/99	100
6. C.D. Donald (Glasgow, Writer)	1871/86	200
7. A. Galbraith (Glasgow, Manufacturer)	1863/86	360
8. F. Pitman, (Edinburgh, W.S. Lord Provost)	1868/84, 85/89	360
9. D. Ritchie (Dowanhill)	1873/82, 1883/1914	220
10. S. Thomson (Glasgow, Insurance Broker)	1879/1917	185
11. D.B. Wauchope (Leith, Merchant)	1869/85	340
12. C. Gairdner (General Manager)	1869/95	300
		<u>6,215</u>

Sources: U.B. Annual Reports. Appendix IV.C. R.S.Rait, 1930, pp.378-381.

from 1857. He was the only person in the directorate of this period who had witnessed the 1857 crisis from the boardroom. None of the other directors could rank with Campbell, who wrote to Gairdner in January, when S. Thomson expressed his willingness to retire, saying that,

"I called on Seton Thomson ... I called again yesterday in the hope of having some talk with him, but found Mr. T. had passed a very bad night and he had gone to his (unreadable) and ordered that he should not be disturbed ... She is very weak/cannot stand/. So I fear the end is approaching. I note (sic) all yesterday as to him as a director. What I wanted to find out was whether in the event of her death he has made up his mind to leave Glasgow altogether ... We must have old P. (Pitman) in place of W. (Wauchope)."¹

On the following day, Campbell wrote again that,

"We (Campbell and Thomson) talked over some matters connected with this Bank and then I spoke to him as to the acting directors ... he also quite agrees we should get back Pitman, and strengthen the Glasgow end as much as possible, his idea would be Bolton's partner, he has not known of the retirement of the old partner in that corner, but is he coming to Glasgow ? ... I do hope Galbraith and Ritchie may not fail you."²

Indeed, the serious talk between Campbell and Gairdner resulted in Thomson making up his mind to stay in the directorate and Pitman being elected a director in place of Wauchope.³ The most confidential correspondence of the most influential director was itself undeniable evidence of Gairdner's power.

The confidential correspondence also suggests some aspects of the directorate of the Union Bank. In the first place, the re-selection of the directorate was carefully prepared by a couple of the directors and Gairdner. Both directors, that is, C. Campbell and S. Thomson, had tremendously large shareholdings behind them; Campbell himself was the second largest proprietor and Thomson was a relative of the largest, Dennistoun (see table 5.14). It could be asserted that the selection of the directors of the Union Bank was dependent on the decision of the largest shareholders and the general manager.

In the second place, a kind of faction was emerging in the boardroom, which was probably composed of Campbell, Thomson, Galbraith, Ritchie (all Glasgow directors), Pitman (Edinburgh director) and

1. G.L., 1/1/1885.
2. G.L., 2/1/1885.
3. U.B. Annual Report, 22/4/1885.

Gairdner. The existence of this group is also suggested by a telegraph sent by Gairdner that,

"If Mr. Campbell in City ask him if he would approve purchase of one or two hundred and half at about yesterdays price Ritchie and Galbraith approve."¹

It is clear that an inner caucus of six men was the real power in the Union Bank.

In the third place, it should be noted that Campbell expressed his desire to "strengthen the Glasgow end". A supposition that there might have been a conflict between the Glasgow directors and Edinburgh counterparts could be possible, but there remains no trace of any disagreement between them. The existence of Pitman, an Edinburgh director, in the inner caucus of the directorate, on the contrary, might deny this supposition. Therefore, the words of Campbell might have been uttered simply because he felt weak on account of his ill health and because he was hoping for a competent person to succeed him. He died in 1886.² These three features further confirm that Gairdner was 'a king-pin' of the Union Bank.

Gairdner's power may be more strongly illustrated by authorisations of advances to the directors' concerns, a remarkable example of which is given in the case of the Castle Packet Co.³ In August 1883 when the Castle Packet Co. applied urgently for a large additional credit for £100,000, Gairdner first did not confirm its authorisation. Encountering the set face of Gairdner, J. Currie, director of the Bank, had to write on behalf of the Castle Co. that,

"My brother Donald tells me tonight that although you seemed to see no objection, when he met you in London, to giving the Castle Co. £100,000 more on loan yet on reconsideration and consultation you do not like to go so far to our company. With this decision in general principles, I don't quarrel and situated as I am I feel precluded from saying all I might otherwise do. But I may say generally that the position of the Castle Co. as expounded to you, is thoroughly sound and under the circumstances I think such a loan would be quite safe. But if you don't see your way to such an advance then the next question is whether you consider it expedient

1. G.L., -/3/1885.

2. D. MacLeod, n.d., p.80.

3. See chapter 5.3(1).

to advance any lesser sums, say £50,000 to the Castle Co. and £50,000 to Donald Currie & Co., who would in turn advance on their own responsibility to the Castle Co. It comes to this that the Co. and D.C. & Co. are undoubtedly good for a very much greater amount, and the Castle Co. alone are (sic) quite safe, and having thought all was arranged must now at once arrange either with you or elsewhere for meeting the requirements of the position. They are building new vessels, which they would prefer not to pay in bills, but in cash, and as Donald goes to Garth tomorrow morning, I suggest that you write to him there on receipt saying what you can see your way to do or what you would suggest so that he may take measures accordingly."¹

Despite the detailed explanation and revised proposal, Gairdner did not still proceed to authorise the credit, and more than two weeks later Donald Currie himself had to reiterate his plea for Gairdner's generosity stating that,

"The Co. is in a sufficient strong position to finance; but at the same time I can understand you thinking after consideration that perhaps £250,000 (that is, £100,000 in addition to £150,000. See table 5.11) was too much for one Co. Your suggestion that DC & Co. shall give the Bank their promissory note or draw on the Company for £100,000 ... Please arrange them to give the £100,000 which may be wanted about a fortnight."²

The credit was eventually given at the end of September, a month later than Donald Currie's request.

The negotiations between the Castle Co. and Gairdner reveal two important characteristics of this general manager. In the first place, Gairdner was very, or excessively, careful in lending, though it is understandable that the Union Bank should have restrained large advances in the middle of the Thomson affair. He must have been a banker who preferred investments to advances. In the second place, surprisingly, negotiations for advances were taking place entirely outside the boardroom of which the correspondence itself

1. G.L., 6/8/1883.

2. Ibid., 24/8/1883.

was indisputable evidence. The minute of the board of directors in 1883 has not recorded any trace of this kind of negotiation at all. Gairdner was a general manager who could exercise authority even over the directors.

There was a further element which strengthened Gairdner's power, that is, 'inside-trading' of Union Bank stock, the existence of which is suggested by some affairs of 1884. A. Galbraith, director, wrote an undated letter to Gairdner ordering a purchase of the Bank stock and stating that,

"I saw the Clydesdale quoted $21\frac{1}{2}$, no Union quote but if still to be had at 21, would you (unreadable) £1,000 value for me. I do not like the Union to be down lower than the Clydesdale, so at 21 I would have 50 shares."¹

The letter reads as though Galbraith was purchasing the Union Bank shares in order to support its market price. This was merely one of two reasons for the purchase as Galbraith confessed that,

"I have taken £1,500 of the Bank stock which yields $5\frac{1}{2}$ int."²

A query about purchase of the Bank stock also came from outside the boardroom and read,

"Would you recommend the present time as a favourable time for the purchase of the Union Bank shares. If so could you supply Ten or Fifteen shares and at what price ? I see that the present price is £21. Your answer in course will oblige."³

Furthermore, Gairdner himself bought the Bank shares, recommending purchases to his relatives. William Gairdner replied that,

"I received your letter this afternoon and have no objection to your registering the shares you have purchased in my name. I am only sorry I can't see my way to invest some money of my own in the same way as you describe the investment. The only money that I shall have ... are some Australian and New Zealand debentures which fall in, in December. It might be

1. G.L., n.d.

2. Ibid., 13/5/1884.

3. Ibid., 16/5/1884.

worth while to find out what price I can get for the £8,500 of that stock."¹

"I have just written to David and asked him to communicate with you without loss of time, for I think from all you say that I should not miss this chance of making a safe investment which will give such a good return. The New Zealand bonds are constantly falling in and can only be received at 4%. So if you will take them over in the part of the Bank and allow me the difference it will be better, as it will give me the use of the money in one sum, and an opportunity of buying 400 shares in the Union Bank stock now."²

"I ... am obliged to you for looking after the purchase of the Union Bank stock. It is very good of you to let me have 300 you have."³

The letters imply that Gairdner supplied to his relative the Bank money by way of buying up the New Zealand bonds which were, indeed, to be held by the Union Bank under 'investments' in May 1884.⁴ The same facilities were given to at least another two persons, that is, a trustee of the late C.D. Gairdner and the Edinburgh manager, H.H. Norie.⁵

We have other evidence on inside-trading. In April 1883, Sir Charles Tennant, deputy chairman of the Union Bank, daringly circulated information that the Bank business would show a poor result, and then sold his shares repurchasing them and gaining a margin. These were typical actions with regard to inside-trading which, naturally, offended his fellow directors.⁶ In comparison with this typical example, Gairdner, of course, did not proceed any further than giving his relative and friends advice and facilities for buying the Union Bank stock. However, both actions should be regarded alike, because Tennant and Gairdner must have made use of inside information available only to them. Although inside-trading

1. G.L., 19/5/1884.

2. Ibid., 21/5/1884.

3. Ibid., 24/5/1884.

4. U.B.M., 28/5/1884.

5. Ibid., 25/6/1884. G.L., 24/7/1884.

6. Ibid., A. Crum to C. Gairdner, 26/4/1883, F. Pitman to C. Gairdner, 26/4/1883.

was not illegal, it was very offensive to other shareholders¹ and, therefore, had to be kept secret. Naturally, Gairdner was extremely careful, specially employing a firm of stock brokers, Penny & MacGeorge, 24 George Square, Glasgow, whose names never appeared on the scene of the ordinary business of investments.²

Charles Gairdner was a formidable person both inside and outside the Union Bank of Scotland. By the public, he was regarded as devoting himself to writing and giving papers on economic and banking subjects, besides his banking job. Inside the Bank, he was the general manager who selected the directors, decided on authorisations of important advances and supervised 'inside-trading'. He was, therefore, accountable for the overall policy decisions of the Union Bank. As his managership advanced, the Union Bank reduced in importance in Scottish banking from second in 1865 to sixth in 1885.³ In these twenty years, he put forward clearly two features of his banking policy, - increase in investments and discipline of overall business conduct, especially that of branches - which suggests that he was the banker of prudence and discipline. None the less, it was Charles Gairdner who gave large advances to Alexander Collie, who had been involved in fraud, during the early 1870's without taking any written documents, and involving the Union Bank in the heavy loss of £150,000. This was a fundamental mistake which the careful banker should not make. The Collie fraud ought to have made him more careful, or even rather timid, in pushing on with lending. The Thomson affair might eventually have deprived him of any initiative to be shown in lending. An initiative once lost is hard to regain, as a modern banker has argued.⁴ Indeed, the amount of advances of the Union Bank was the smallest among the major Scottish banks afterwards, during the last years of his leadership, against the background of Clydeside climbing to become one of the world's leading centres of industry.⁵ Consequently, if lending was the most vital business for the bank, in order to develop itself and the economy, it could be argued that Charles Gairdner was a little short of the good banker in spite of his lengthy reign of thirty-three years.

1. S.E. Thomas, 1934, p.249.

2. G.L., 14/5/1884.

3. S.G. Checkland, 1975, table 47.

4. G.G.C. Kennedy, 1955, p.21.

5. A. Slaven, 1975, chapter 7.

CONCLUSION

DEVELOPMENT AND STAGNATION OF THE UNION BANK OF SCOTLAND

In conclusion, it is intended to examine the performance of the Union Bank of Scotland at three levels. In the first place, the Union Bank will be reviewed in terms of its role and relative position in Scottish banking. There are three themes here; the Glasgow challenge, the amalgamation movement and competitiveness. In the second place, four particular features of the Union Bank will be examined, namely, assets management, sectoral lending, money flow and leadership. Finally, the life cycle of the Union Bank of Scotland will be reviewed.

I

THE GLASGOW CHALLENGE

Our first concern then is with the Union Bank of Scotland as a component of the Scottish system.

The Union Bank led the Glasgow challenge to Edinburgh banking in two respects. The establishment of the Union Bank reflected the eagerness of Glasgow businessmen to set up themselves as bankers. The Union Bank was, thus, the pioneer of Glasgow joint-stock banking and it had a direct impact on the creation of at least three joint-stock banks in Glasgow; the Western Bank of Scotland, the Clydesdale Bank and the Glasgow Joint Stock Bank. Eventually, the successful establishment of the Union Bank was followed by seven Glasgow joint-stock banks. The Union Bank also started its notable take-overs in 1836, initiating the age of amalgamation in Scottish banking up to 1844, which is the subject of our second theme concerned with the relationship of the Union Bank to the general Scottish banking picture.

Through the 1840's and indeed until the late 1850's, the Union Bank, together with the Western Bank, did indeed pose a successful banking challenge. If the number of shareholders and number of branches are considered adequate criteria, then Glasgow could claim to have established another financial centre in Scotland.

But it was a Pyrrhic victory, and much was lost in 1857 in terms of Glasgow leadership with the collapse of the Western Bank.

In the aftermath of the 1857 crisis, the Union Bank, whose financial situation in the crisis was somewhat similar to that of the Western Bank, was forced to change its management and began to divorce itself from an expansionist policy. The disappearance of the Western Bank and the change of the policy of the Union Bank marked the beginning of the eclipse of the Glasgow challenge.

Between 1865 and 1878, the Union Bank became increasingly conservative. There were few attempts either to push advances or to set up new branches. The poor performance was accelerated especially after the Collie fraud in 1875. The Glasgow challenge lost ground. Indeed, the City of Glasgow Bank had begun to falsify its balance sheets as early as the Gurney crisis of 1866. The Clydesdale Bank remained fairly passive although it did set about invading northern England by opening branches there.

The crisis of 1878 was in effect the fatal blow to the Glasgow banking challenge. The collapse of the fraudulent City of Glasgow Bank rocked the city and impacted unfavourably on the more steady Union Bank. The Union Bank had to struggle for six months with the loss of value of its stock, eventually resorting to the adoption of an external audit system to reassure the market. Consequently, the Glasgow challenge, born with and led by the Union Bank of Scotland, ceased to exist by the late 1870's, when Glasgow was deprived absolutely of any opportunity of becoming another financial centre of Scotland.

Professor C.P. Kindleberger has argued that in certain industrialized countries "money and capital markets were centered at the capital."¹ Regarding British banking, Professor Kindleberger has argued that,

"it is hardly necessary to explain how London became the metropolitan apex of the financial network. Whether the correspondent system, the Bank of England branches in the provinces, or the nationally spread joint stock banks with their head offices also in the provinces, the system had no choice but to center in London. London had an

1. C.P. Kindleberger, 1974, p.1.

ancient tradition and it was a major port, the capital seat, and hub of the railroad network; all forces were brought to bear on this locality, which was itself somewhat divided between the City and the West End.

The different banking systems in Ireland and Scotland reached across boundaries and linked up with London."¹

How far is this argument applicable to Scottish banking ? Edinburgh had the oldest banking tradition, which created the Bank of Scotland, established only a year later than the Bank of England, and was the political and cultural centre of Scotland. Though she was rivalled by Glasgow during the 1840's and 1850's, Edinburgh firmly re-established her supremacy over Glasgow after the mid-1870's, especially after the 1878 general crisis, and continued to be the sole financial centre. No joint-stock bank based on Edinburgh ever failed, and, in this respect, Edinburgh was a more solid financial centre than London. Thus far, Professor Kindleberger's argument can be acceptable with regard to the Scottish case.

One important difference between the two financial centres could be found in the fact that one of the three remaining Scottish banks, the Clydesdale Bank, still continues to base itself on the city other than the Scottish financial centre, that is, Glasgow. The continuance of the Clydesdale Bank's headquarter in Glasgow is partly due certainly to the fact that it was affiliated with the Midland Bank, based on London, earlier in 1919, and thereafter the London headquarter of its parent bank was, in effect, the head office of the Clydesdale Bank. This fact probably made it unnecessary for the Clydesdale Bank to move to Edinburgh. Indeed, as Professor Kindleberger has suggested, the existence of the largest financial centre in the world, London, directly connected by railway only 400 miles away, was certainly a factor to weaken the status of Edinburgh. Especially after the mid-1860's, when London eventually became the international financial centre, Scottish banking increasingly deepened its involvement in London business as the openings of London offices of the Scottish banks and the money flow of the Union Bank of Scotland suggested.

1. C.P. Kindleberger, 1974, p.16.

Moreover, it must be noted that differences between two biggest cities in Scotland, Edinburgh and Glasgow, were not so noticeable in all respects as those between London and other English towns. Glasgow was the largest Scottish city in terms of size and population. It was situated at the very centre of the industrial West and was equipped with two large ports, Greenock and Port Glasgow. Half of the railway lines running across the border from England reached Glasgow. These factors must have joined forces to deprive Edinburgh of some qualifications as the Scottish financial centre.

In terms of British banking as a whole, it is indisputable that London was always the ultimate source of liquidity and, thus, the sole financial centre. Scottish banking was not an exception and had to place a not insubstantial amount of funds in London. However, inside Scotland, 'the concentration theory' could not have been valid. Indeed, Scotland had two financial centres in the mid-nineteenth century, Edinburgh and Glasgow. In terms of branch banking and number of shareholders, Glasgow dominated the Scottish banking scene, the status of which neither Liverpool nor Birmingham could claim in England. Furthermore, though it was from time to time accused of 'speculative banking', Glasgow banking was enthusiastic in supplying funds to the expanding economy, thus developing energetically during the 1840's and 1850's. Therefore, it could be argued that Glasgow would have had an opportunity to continue to be another financial centre of Scotland if the Western Bank of Scotland and/or the City of Glasgow Bank could have survived, or had not been eliminated in, the crises. The two successive failures of these large banks in Glasgow had a tremendous effect on the Glasgow challenge and the structure of Scottish banking.

2

THE AMALGAMATION MOVEMENT

The Union Bank of Scotland amalgamated with seven banks; three in the North and East and four in the West. This trend started in 1836 and ended in 1857. It was the most remarkable

performance in Scottish banking as table C.1 and C.2 set out. Nearly one third of the major amalgamations in Scottish banking between 1830 and 1858 was the accomplishment of the Union Bank. The process of assimilation, giving the Union Bank offices all over Scotland, did much to enhance its reputation as a national bank.

Table C.1

Major Amalgamations, 1830-1879; Location of Absorbed Banks

	<u>2.Number of Absorbed Banks</u>	<u>3.Location</u>	
		<u>a.North and East</u>	<u>b.West and South</u>
<u>1. Absorber</u>			
Edinburgh Banks ¹	10	6	4
Glasgow Banks ²	16	6	10
Union Bank	7	3	4

Notes: 1. B.S., R.B.S., B.L.C., C.B.S., N.B.S., and Edinburgh & Glasgow Bank.

2. U.B., Western Bank and Clydesdale Bank.

Source: S.G. Checkland, 1975, tables 11 and 16.

Table C.2

Major Amalgamations, 1830-1879; Periodical Distribution

	<u>2.Period</u>			
	<u>a.1830/1844</u>	<u>b.1845/1858</u>	<u>c.1859/1865</u>	<u>d.1866/1879</u>
<u>1. Absorber</u>				
Edinburgh Banks	8	0	1	1
Glasgow Banks	11	4	1	0
Union Bank	5	2	0	0

Notes and Source: as of table C.1.

The amalgamation movement of the Union Bank produced three further noteworthy results. Firstly, the acquisition of the firm of Sir William Forbes & Co. gave the Bank invaluable access to Edinburgh banking, that is, banking in the financial centre, and

raised the status of the Bank, whose manager was regarded by his Edinburgh counterparts as their peer. Secondly, the amalgamations resulted in the tremendous development of a branch network which greatly increased the resources of the Bank. The take-overs of the Aberdeen and Perth Banks were particularly important in that money flow from the North and East to the West developed inside the Union Bank. Finally, the amalgamations widened outlets for increased resources, though at the same time there emerged borrowers such as the Dennistouns, where there was more than an element of risk. The amalgamation movement was undoubtedly the main factor of the development of the Union Bank by the late 1850's.

Even after the last amalgamation in 1857, the Union Bank had opportunities to take over the Dundee Bank in the late 1850's and the Caledonian Bank in the early 1860's, which were indeed anxious to make their business over to the Union Bank. The Union Bank, however, did not proceed to take them over, preferring consolidation of business to further development - especially that of branch network, which would naturally result from amalgamations. This policy was deliberately pursued by the general manager, Charles Gairdner. However, it was also true that opportunities for bank amalgamations became increasingly less in Scottish banking, because of the reduction of number of banks as well as of the enlargement of dimension of each bank. Further amalgamations would thus have involved a change from large banks mopping up small ones to unions between almost equally large concerns. In these circumstances, the Union Bank began to loosen relative importance in Scottish banking. It could be argued that the Union Bank was literally a union of banks and could continue to develop as long as it could unite with other banks smaller than itself.

3

COMPETITIVENESS

Competitiveness should first be assessed by performance in price competition. In this sense, the Union Bank stood in the middle, between the Edinburgh banks, which tended to offer lower

deposit rates and charge higher lending rates, and the other Glasgow banks, which accepted lower margins. The Union Bank was, thus, moderate in price competition. Such competition, however, disappeared from Scottish banking in the early 1860's when the general managers adopted a co-ordinated policy.

In the assessment of performance in non-price competition, two criteria could be put forward. Firstly, branch banking was considered to represent the overall method of offering services to customers and of gathering deposits. The Union Bank was one of the most energetic creators of branches over the years between the late 1840's and the late 1850's, having the network of one hundred branches in 1858, which was primarily due to its remarkable amalgamation movement. Therefore, when it ceased to take over other banks, the rate of its development of branch banking diminished, and consolidation of the existing branches became the policy of the Union Bank. Thus, in terms of spatial competition, the Union Bank became less energetic from the early 1860's.

Another criterion of competitiveness was the readiness to respond to the needs of the customer, that is, lending. Again in this respect, the Union Bank seemingly began to lose ground from the mid-1860's when the sole managership of Charles Gairdner commenced. As his managership advanced, this tendency grew and this was well illustrated in the case of the Castle Packet Co. Consequently, in all respects, except the Thomson financing (which, however, should be regarded as an unusual case), the Union Bank became less competitive from the mid-1860's. This attitude of the Union Bank and its general manager was also perceived in some particular features of the Union Bank, especially, in its assets management.

4

THE MANAGEMENT OF ASSETS

We turn now to our second set of themes, namely the particular features of the Union Bank. The first of these concerns assets management. The two main assets of the bank were, of course, advances and investments. The Union Bank preferred two methods of advances,

that is, discounts and credit accounts/overdrafts, presumably in common with other Scottish banks. Between the two methods, advances on discount were a major element in developing the overall business of the Union Bank till the late 1870's. During this period the business of the Bank increased when advances on discount did so. Advances on discount, however, ceased to be the primary method, presumably in the mid-1870's, owing to the experience of the Collie fraud. From it, the Union Bank learned its lesson that bills of exchange, especially those originating from foreign trade, were risky. This attitude resulted in the remarkable reduction of advances as a percentage of deposits, as table C.3 sets out, as well as in the stagnation of the overall business. The decrease in the proportion of discounts was not supplemented by an increase in that of credit accounts/overdrafts.

The third method, ambiguously termed 'other loan', made its appearance in the mid-1870's. These loans were mainly given against the medium and long term securities of a growing number of joint-stock companies. These were quasi-investments, and were chiefly granted at large offices such as the Glasgow head office and the London office. They represented a departure from the Scottish tradition of short term self liquidating lending.

Another asset, i.e., investments, increased remarkably in the 1870's, during which the growth rate was far larger than that of the Scottish total. Previously, however, as table C.3 shows, investments as a percentage of deposits had been far below the Scottish total from 1866 to 1874, barely reaching the Scottish level in the mid-1870's. It could be argued that the Union Bank exerted itself to maintain the Scottish pattern, presumably that of Edinburgh banking, by rapidly increasing the investment share of its assets. It is, therefore, suspected that 'Edinburgh banking' might be planted in the conduct of the Glasgow-based Union Bank, as will be discussed later. The trend in investment policy could thus be interpreted as a move to less venturesome banking, less intimately concerned with Scottish commercial and industrial needs.

In sum, then, the Union Bank changed its assets management in the mid 1870's and thereafter preferred safer assets, that is, loans on stocks to advances on discount, and investments to advances in

general. The Union Bank was certainly aiming at the safer management of its assets from the third quarter of the nineteenth century.

Table C.3

Advances and Investments as Percentages of Deposits, 1866-1885

	<u>Advances</u>		<u>Investments</u>	
	<u>Union Bank</u>	<u>Scottish Total</u>	<u>Union Bank</u>	<u>Scottish Total</u>
1866	98.30	95.24	11.99	17.85
67	95.74	93.89	12.63	17.75
68	94.48	91.93	14.35	18.84
69	95.96	94.38	14.37	18.40
70	94.74	95.64	13.90	18.08
71	91.11	97.32	15.93	18.16
72	94.01	95.41	15.56	19.22
73	94.24	96.77	15.65	19.36
74	94.60	97.87	14.60	18.10
75	89.24	98.07	16.76	17.31
76	93.91	99.08	15.02	16.89
77	84.13	97.44	19.30	18.40
78	90.90	103.61	17.06	16.42
79	88.25	99.64	16.91	16.01
80	76.96	83.21	21.41	22.09
81	74.08	83.42	21.74	21.38
82	71.84	83.63	23.10	21.83
83	72.78	82.55	22.33	22.42
84	73.80	82.17	22.29	22.09
85	70.79	80.05	23.45	23.19

Source: S.G. Checkland and A.B. MacDonald, 1973.

SECTORAL LENDING

The Union Bank preferred borrowers in three sectors, transport, trade, and shipbuilding & engineering.

The sector of transport, especially railways, was the favourite throughout the whole period, right up to 1885. Prior to 1845, railway companies in the West and Lowlands, especially the Glasgow, Paisley, Kilmarnock & Ayrshire and the Edinburgh & Glasgow Companies, were large borrowers. More importantly, the financing of the Ayrshire Railway was one of the causes which led the Union Bank to amalgamate with Hunters & Co. and the Glasgow & Ship Bank. The financing of the Edinburgh & Glasgow Railway resulted in a lending cartel arranged between the Union Bank and the Edinburgh banks. From the late 1840's to the early 1850's, the Union Bank, together with other Scottish banks, was involved in heavy railway investments, which were inspired by the operations of exchange companies. Though the Bank did not continue its large scale investments, railway companies remained the biggest borrowers.

The trade sector was favoured throughout almost the whole period. Particularly between 1845 and 1857, the Union Bank supplied large funds to enterprising merchants - engaged in American, Australian and Indian trade - such as the Dennistouns (whose financing, however, involved the Bank in great danger during the 1857 crisis). Thereafter, the policy of the Union Bank towards this sector gradually changed and, though this sector remained a favoured one, the Union Bank increasingly preferred incorporated companies to private firms of merchants. This policy was accentuated by the Collie fraud in 1875.

The sector of shipbuilding & engineering became another preferred customer from the 1850's in accordance with the development of the Clydeside shipyards, overtaking the railways as borrowers by the 1880's. The Union Bank supplied funds to at least ten firms of shipbuilders and engineers. Among them, one of the largest shipbuilding firms, J. & G. Thomson, emerged as the largest borrower of the Bank during the 1870's. Although the Thomson financing

resulted in difficulties for the Bank, and there was an unusual relationship between them, the Union Bank survived this difficulty, and continued to contribute to the fame of Clydeside as the ship-building centre of the world.

It could be argued that the Union Bank supplied funds to the Scottish economy primarily through the sectors of transport and shipbuilding & engineering, as well as assisting Scottish merchants to trade abroad. But it was also true that the Union Bank was placing substantial resources in London, as will be discussed next.

6

MONEY FLOW

Two directions of money flow appeared in two different stages of the development of the Union Bank.

After the last two take-overs of the banks in the North and East, the first substantial money flow emerged, that is, the movement of resources from the agricultural North and East to the industrial West. The same kind of money flow was also perceived in England in the early nineteenth century, where bills in industrial Lancashire were discounted through bill brokers in London using money from agricultural Norfolk, Suffolk &c., and this was still going on in the 1870's as Sir Walter Bagehot stated. However, the money flows of the Union Bank and English banking were significantly different. The money flow of the Union Bank happened inside its own structure, that is, through the wide network of the branch system, which was peculiar to the Union Bank and other large scale Scottish banks. Therefore, it could be assumed that the money flow, taking place in the Union Bank, was rather common in Scottish banking as a whole, with most banks having something approaching national branch coverage.

Another money flow in the Union Bank made its appearance immediately after the opening of the London office in 1878, namely that to London. It was the result of commercial and banking needs.

All payments of both domestic and international trade increasingly clustered around the world's largest financial centre, London, during the 1860's. The widest range of opportunities for various types of investment and short term lending, which were the main components of the Bank's reserve, was available in London.

Table C.4

Liquid Assets as a Percentage of Deposits, 1866-1885

	<u>Union Bank</u>	<u>Scottish Total</u>
1866	15.80	19.72
67	16.46	19.66
68	18.53	21.18
69	18.33	21.07
70	17.53	20.31
71	19.87	19.95
72	19.21	20.98
73	19.12	20.64
74	17.62	19.43
75	20.02	18.63
76	17.76	18.38
77	22.56	20.03
78	19.71	17.51
79	19.35	18.43
80	24.23	24.86
81	24.33	23.29
82	25.58	23.34
83	24.45	23.49
84	24.14	22.96
85	25.13	23.90

Source: as in table C.3.

Just as in the case of the Union Bank money flow in Scotland, there is a presumption that other Scottish banks were in similar situation. There has been no case study of other banks, and, therefore, we must rely on rough data, i.e., investments and liquid assets as percentages of deposits, which are construed to reflect

the London business of the Scottish banks to some extent. As tables C.3 and C.4 set out, investments and liquid assets as percentages of deposits constantly exceeded 20% from 1880 when the six major Scottish banks, excluding the Commercial Bank, had opened their London branches.¹ Consequently, it is not unreasonable to conclude that the two kinds of money flow, though evidenced only by the case study of the Union Bank, were more or less common to Scottish banking.

7

LEADERSHIP

This theme may be examined by dividing the period into four sub-periods; 1830/1844, 1845/1857, 1858/1865 and post 1865.

It is rather difficult to find anyone who really headed the Union Bank throughout the formative years of 1830/1844. Robert Stewart, director, was certainly a leading figure in establishing the Bank in 1830, but thereafter his voice was rarely heard on the board. John Leadbetter, director, was very active and competent in obtaining railway business and thus competing with other banks, but it is hard to say that he was the sole leader. He seems to have been more interested in railway companies in which he, indeed, took office as chairman and as director. Four partners of the firm of Sir William Forbes & Co. joined the directorate of the Union Bank in 1838 and must have had prestige on the board, but there remains no strong evidence which suggests their leadership over the Bank as a whole. Indeed, their responsibility was to a considerable degree confined to Edinburgh business till the mid-1840's, when the firm of Sir William Forbes & Co. was finally assimilated with the Union Bank. The manager, J.A. Anderson, though competent, cannot be regarded as a leader in any respect. Consequently, it is safe to say that collective responsibility, rather than individual direction, determined the policies of the Union Bank in its formative years.

1. S. G. Checkland, 1975, p.484.

The rapid growth of 1845/1857 witnessed the emergence of leading figures in the Union Bank, who appeared on both the Glasgow and Edinburgh boards of directors. Immediately after the amalgamation with the Glasgow & Ship Bank, some of the original directors of the Bank, including J. Leadbetter, retired from the directorate, which was then filled by the late partners of the Glasgow & Ship Bank. Thereafter, the Glasgow board was seemingly taken over by them. On the other hand, the Edinburgh board was firmly constituted by the late partners of Sir William Forbes & Co. though even they were joined by one member of the Glasgow & Ship Bank. This dual-board system, instituted in 1844, was represented by two directors, that is, Alexander Dennistoun on the Glasgow board and Sir Adam Hay on the Edinburgh board. As an enterprising merchant, Dennistoun pursued an expansionist policy which undoubtedly led the Bank to develop greatly. Hay, as a leader of the late firm of Sir William Forbes & Co., followed the policy of playing for safe and raising from time to time objections to Dennistoun's policy. Together they represented the classic Glasgow versus Edinburgh dichotomy of speculativeness versus caution. The manager, Anderson, had to remain neutral between his two masters. He retired in 1852. His successor, James Robertson, stood nearer to the Glasgow board, recommending the expansion of branch network, though it is untrue to say that he led the Bank in any sense. Thus, the leadership of the Union Bank was based on a balance of power between the two boards, represented by Dennistoun and Hay. This was lost in the mid-1850's. This led to difficulties in the 1857 crisis.

In the 1857 crisis, A. Dennistoun, whose business involved the Union Bank in great danger, dropped out of the directorate and the expansionists on the board lost ground. Moreover, two successive failures of large borrowers in the early 1860's caused a great change in the management and in this the Edinburgh directors, especially A. Hay, took the initiative. Indeed, the Glasgow manager, J. Robertson, together with his secretary, was forced to resign. The Union Bank appointed Charles Gairdner, the choice of the Edinburgh directors, as joint-manager. He immediately instituted an energetic investigation into the whole conduct of business of

the Bank, successfully responding to the expectation of the Edinburgh directors. The years of 1858/1865 witnessed the transition of the leadership of the Union Bank.

Charles Gairdner commenced his sole managership in 1865. A year after, the most influential director, A. Hay died. Gairdner became a formal member of the board of directors according to the change of the contract of copartnery in 1869. He attended both Glasgow and Edinburgh boards from the early 1870's, supervising the whole conduct of business in the Bank. Though his office was not termed general manager until 1878 (when another managership was instituted at the London office), he became the most powerful man in the Union Bank. His career was not challenged by any director, except Colin Campbell, who was the most senior, and the only director in the early 1880's who had witnessed the difficulties of 1857 from the boardroom. In effect the leadership of the Union Bank was assumed by Gairdner from 1865.

Charles Gairdner occupied a position of great power and influence from 1862 to 1895, unsurpassed by any other general manager. He must therefore be considered accountable for the overall policy decisions made by the Union Bank. During this period, the Union Bank lost ground and fell to sixth in order of importance of Scottish banks. After his initial enthusiasm, he showed a lack of initiative in challenging effectively Edinburgh banking and developing the Union Bank. Although he came from the West of Scotland, ill-famed for speculation, he was a man of more than average caution, and of Edinburgh temperament. Indeed, his father's concern, the banking firm of Hunters & Co., had strong connection with the firm of Sir William Forbes & Co. and the directorate of the British Linen Co. He was also educated in Edinburgh. He was certainly brought up with Edinburgh caution, and as such he was an Edinburgh nominee. Therefore, it could be argued that the Glasgow challenge to Edinburgh banking, led by the Union Bank, was ended partly because the Edinburgh mentality was planted in the seat of power, namely the general managership of the most senior Glasgow-based joint-stock bank. The Gairdner regime was, thus, the outcome of the Edinburgh-dominated selection process in filling the office of general manager and also of the choice of a

man of too much caution. Being subject to the reinforcing effect of the experience of the Western Bank and the City of Glasgow Bank and his own errors - the Collie fraud and the Thomson financing - of ageing, and perhaps of an element of intellectual dilettantism, Charles Gairdner, concerning banking, failed to give leadership from the only direction from which it could come, namely the general manager's office.

8

LIFE CYCLE

Our third facet of the behaviour of the Union Bank of Scotland is concerned with its general performance over time. Here the same phrasing as used in the text is appropriate.

1. Formative Years, 1830-1844

The first Glasgow-based joint-stock, Union Bank, created in 1830, embarked upon an extraordinary amalgamation movement earlier in the mid-1830's, growing by leaps and bounds, taking over two private and three provincial banks and displaying the capability of large scale joint-stock banking in the industrial West. Through the acquisition of the fine firm of Sir William Forbes & Co., the Union Bank also became firmly based in Edinburgh. The success and development of the Union Bank was followed by a great spate of Glasgow enterprise.

2. Rapid Growth, 1844-1858

The Union Bank entered upon a stage of vigorous competition during the hectic years of British economic growth and developed its business by financing foreign trade and railways. Another two take-overs accelerated the development of the Union Bank. The expansionist policy was prevalent in every feature of the performance of the Union Bank during the 1850's. As a result, there were difficulties in the 1857 crisis. The storm was weathered by its well-balanced branch network and reserve policy which the collapsed Western Bank of Scotland had not established.

3. Zenith, 1858-1865

The experience of the 1857 crisis and its aftermath resulted in a great change in the conduct of the Union Bank, which was featured by the appointment of Charles Gairdner, a person prone to canniness. However, the reserve of energy, which accumulated in the years of rapid growth, elevated the Union Bank in 1865 to second to the Royal Bank of Scotland in order of importance, so the zenith of the Union Bank of Scotland was attained in the Victorian age.

4. Years of Difficulty, 1865-1879

These fourteen years, commencing from 1865, witnessed incessant hazards. The failure of Overend, Gurney & Co. in 1866 and the Collie fraud in 1875 resulted in the shrinkage of the Union Bank, which, from then on, became less go-ahead in pushing advances, thus reducing its overall business. The general crisis of 1878 greatly damaged the last surviving large Glasgow-based, Union Bank. In these circumstances, carefulness dominated aggressiveness in every facet of its business. The Union Bank lost initiative and the Glasgow spirit of enterprise was eclipsed.

5. Stagnation, 1879-1885

In addition to the task of recovering the public image damaged in the 1878 crisis, the Union Bank was confronted with another problem which was caused by the Thomson financing. Although the Union Bank weathered the Thomson affair, its prestige in Scottish banking continued to diminish; it sank into sixth place in 1885, its lowest ebb since the disclosure of the Scottish bank balance sheets in 1865. Initiative lost was hard to regain, and the Union Bank of Scotland stagnated.

6. Scottish Banking and the Union Bank of Scotland

The Scottish banking system in 1830 comprised thirty-six banks; this figure included the public banks, the private banks, the provincial banking companies and the joint-stock banks. The number of the banks was reduced to ten by 1885 - seven nation-wide

Edinburgh- and Glasgow-based banks, and three local North-based banks. By this time, the major amalgamations among the Scottish banks had for a time ceased. There were few chances for any new bank to enter the system. In England, on the other hand, there was still room for many promotions and amalgamations. A change in the feature of Scottish banking, the main spring of banking initiative and invention in the world, brought drama to banking history as Professor Checkland has argued,

"the Scottish banking system, from being the most open and competitive in the world before 1830, had become by 1880 one of the most tightly controlled."¹

Scottish banking matured earlier than its English counterpart did.

The life cycle of the Union Bank of Scotland exemplified the aggregate trend of Scottish banking. The Union Bank of Scotland was born in the enthusiasm of Scottish joint-stock banking and developed by leaps and bounds, reaching its zenith in the mid-1860's, when Scottish banking was also at its highest ebb. Thereafter, when Scottish banking was consolidating its system, the Union Bank of Scotland lost its initiative and sank remarkably from second in 1865 to sixth in 1885 in the system. Glasgow, too, succumbed to the supremacy of Edinburgh. Certainly, the Union Bank of Scotland became more conservative than its fellow Scottish banks. In this sense, the Union Bank of Scotland was, perhaps, a symbol of the fate of Glasgow banking, rather than of Scottish banking as a whole.

1. S.G. Checkland, 1975, p.715.

APPENDICES

APPENDIX I

PROSPECTUS OF THE GLASGOW UNION BANKING COMPANY

APPENDIX II

CONTRACT OF CO-PARTNERSHIP OF THE GLASGOW UNION BANKING COMPANY,
WITH AMENDMENTS

APPENDIX III

BALANCE SHEETS. A. BALANCE SHEET, 12 MAY 1831
 B. BALANCE SHEET, 13 MAY 1858
 C. BALANCE SHEET, 11 MAY 1865
 D. BALANCE SHEETS, 1866-1885

APPENDIX IV

LISTS OF SHAREHOLDERS. A. LIST OF SHAREHOLDERS, 1830
 B. LIST OF SHAREHOLDERS WITH LIST OF
 BRANCHES, 1858
 C. LIST OF SHAREHOLDERS WITH LIST OF
 BRANCHES, 1885.

APPENDIX I*

PROSPECTUS
of the
GLASGOW UNION BANKING COMPANY.

CAPITAL, TWO MILLIONS STERLING.

SEVENTY YEARS have elapsed since a Native Bank was first established in this City, and during the long interval between 1760 and 1829, the population of Glasgow has increased from 25,000 to 200,000 souls; while its Manufactures, Shipping, and General Trade have increased in a much higher ratio. Accordingly, the three local Banking Establishments of this City, (which have in all not more than thirty Partners,) have proved so inadequate to answer the demand for Bank accommodation, that, no fewer than nine Branches of Banks, not indigenous to Glasgow, have been introduced to supply the deficiency, and are now in such active operation, as to engross a very large proportion of her Banking business. Thus have *others* been allowed to reap those profits, which, had her own citizens been more active, and more alive to their own interests, would have been realized by themselves.

Not only, however, are the citizens of Glasgow excluded from participating in the *Banks Profits* created by their own trade, and in a great measure at the mercy of strangers for their bank accommodation, but they have, besides, been for some time back, subjected to great inconvenience, and very many of them to great loss, by the removal of almost all the *Branch Banks*, from the Eastern and Centre to the Western portion of the City. The waste of time thus occasioned to Merchants in the Middle and Eastern Districts, by being compelled to proceed to Virginia Street, Queen Street, or the New Exchange, to transact their Bank business, is a very serious evil, and one universally felt. It is indeed, singular, that along the whole line of the Trongate, there is no Bank farther east than Glassford Street; and yet in that direction lie the *Corn*, the *Fruit*, and *Cattle* Markets; and, generally, a very numerous and opulent body of Capitalists, Manufacturers, and Retail Traders, besides a large body of holders of Heritable Property, all having an obvious interest in the establishment and support of a Bank in that quarter of the City.

The eastern suburban district of Glasgow, too, comes into immediate contact with the great Coal and Agricultural interests of the county, and the proposed Bank would consequently add greatly to the convenience of these parties in transacting their Bank business, whilst the circulation afforded by such a vicinity would materially add to the profits of the Bank. The County Gentlemen, at a Meeting held lately in Hamilton, very strongly expressed their sense of the community of interests which exists between the County and this Town, in their Second Resolution, thus "*That the County has a deep interest in whatever tends to promote the commercial prosperity of the City of Glasgow.*" It can hardly, therefore, be doubted

that these Gentlemen will embrace the opportunity now offered to draw the Town and Country interests *still closer together*, by co-operating with their city friends in establishing and supporting the GLASGOW UNION BANKING COMPANY. Such a Bank, placed on a basis at once worthy of the wealthiest and most enterprising County in Scotland, and of the second commercial City in the empire, would form an amalgamation of interests so natural and so necessary, that the undertaking would be no less creditable and advantageous to the parties concerned than beneficial to the public.

It ought not, at same time, to be overlooked, that the community of interests so well expressed in the above resolution as existing between town and country is not confined with respect to Glasgow to the County of Lanark alone; the same may be said of all the neighbouring Counties, especially of the County of Renfrew. Indeed, it may be asked, where is the County in Scotland that is

not so connected and so interested? Consequently the advantages to be derived by the establishment of branches in the principal trading towns, by the GLASGOW UNION BANKING COMPANY, will be great and manifold. It will enable merchants and manufacturers who do business with the country, to negotiate their transactions in the shortest possible time, and at the least possible expense. Upon the whole, such a Bank, with its branches under proper management, may be expected to command a large share of the patronage of these merchants and manufacturers who carry on a country trade, as well as of the districts into which such branches may be introduced.

It is thus evident, that a *Local Public Bank*, with a large capital, and numerous proprietors, formed upon liberal principles, is much wanted in Glasgow; and the question, therefore, is, whether such an establishment is likely to be successful? On this point no one at all acquainted with Banks, will have any apprehension.

In England, since the law restricting the number of partners in Banking Companies has been abrogated, so safe and excellent is the Scotch system of Banking considered, that it is fast being adopted into every district of that country. Banks upon such principles, (especially if the proprietors be connected with commercial interests,) cannot fail to insure an extensive business, as the Shareholders will naturally be desirous of securing to themselves, the benefits arising from their own Banking transactions.

The great Banks in Edinburgh of this description have all been eminently successful, as the fortunes acquired by many of their partners, sufficiently attest. The capital stocks of these Banks, in consequence, bear in general a premium of from one to upwards of two hundred per cent.; and the Bank of Scotland, the Royal Bank of Scotland, the British Linen Company, and the Commercial Bank of Scotland, have all found it to be of primary importance to have branches established in Glasgow. Indeed, it is

well known, that one of these Banks in particular, owes its success principally to its branch in this City.

It is very remarkable that Glasgow, the greatest commercial and manufacturing town in Scotland, having a constant and active intercourse throughout the kingdom, and an immense foreign trade, should not hitherto have had a Public Local Bank, with a large Capital and numerous Proprietors. *Private Banks* can seldom command sufficient capital to form Establishments upon an extensive scale, with safety either to the public or themselves; nor can they in any thing like the same degree, possess the advantage of such influence and commercial experience, as Banks having numerous proprietors. Neither can *Branch Banks* ever compete with them, as is established by the evidence adduced before the House of Commons, during the late enquiry into the state of the currency. Thus, Mr. Kinnear, a most intelligent Edinburgh Banker, when questioned as to the cause why some branches of the Bank of Scotland had given up, states, "With respect to those that are beyond my memory, I cannot say what was the cause; but those that have been given up within my recollection, in point of fact, *were given up in consequence of the town in which that Branch had originally been established, having accumulated wealth to such a degree, that it could afford a Banking Capital of its own*, and that it had established a Local Bank; then the connection of that Local Bank went so strongly against us, by *fair competition*, that we found we could employ our Capital to better purpose elsewhere, and gave up the Branch."

Peculiar facilities also, are afforded for the formation of such a Company, by the liberal policy of the Legislature, in conferring by the recent Act 7, Geo. IV., c. 67, corporate powers upon such associations as the present.

Now is the time, therefore, to institute a Banking Establishment in Glasgow, with a large Capital, and numerous Proprietors. *Such an Establishment*, so greatly wanted, formed upon liberal, yet safe principles, offering local advantages almost unprecedented, cannot fail to meet with the most decided encouragement and success.

To insure the respectability of the Company, and to prevent all jobbing in the stock, it has been resolved—

I. That the name and designation of the Establishment shall be,

THE GLASGOW UNION BANKING COMPANY.

II. That the Capital Stock shall be Two Millions sterling, to be increased if necessary, divided into 8,000 shares of £250 each; no individual to subscribe for or hold more than 100 shares, and Partners to be allowed to operate upon their Shares to the extent of one half of their advanced Stock, upon the principle of a cash credit account.

III. That a regular contract of co-partnery, shall be entered into, as soon after the Company has been constituted as possible, containing all such provisions as are required for the security of the Company and the protection of individual Subscribers.

IV. That the first instalment shall not exceed 20 per cent., or £50 per share, the remainder of the Stock, if necessary, to be called up in such a manner and at such periods as shall afterwards be agreed upon.

V. That no transfer of Stock shall be made by any Subscriber until the expiry of one year after the date of the Contract; and in every case of sale the Company to have the first offer.

VI. That the Company shall be considered as formed when the Subscriptions shall amount to 4,000 shares, and the transactions of the Company shall commence and be proceeded in as a Banking Company immediately after Subscribers to the amount of 4,000 shares shall have paid their deposits.

VII. That at all General Meetings, after the contract is approved of, the shareholders shall be entitled to vote after the following ratio:—One share shall be entitled to one vote; three shares to two votes; five shares to three votes; ten shares to four votes; fifteen shares to five votes; twenty shares to six votes;—proxies shall be received, but must be in favour of proprietors, and none shall hold more than one proxy.

VIII. That the management shall be vested in a Governor, Deputy-Governor, ten ordinary and ten extraordinary Directors. These Office-Bearers to be elected for the first year, at the first General Meeting of the Company, and thereafter in terms of the contract of Co-partnery. No person to be eligible as a Director, who does not hold at least, twenty shares of the capital stock.

IX. That in order to extend the business of the Company, Branches shall be established in, and a certain number of shares shall be reserved for, the principal towns in Scotland.

Prospectuses may be had and Subscriptions received at the Office of the interim Secretary, DAVID WILKIE, Esq., Tontine Buildings, Exchange; if by letter, postage free.

Application may also be made in GLASGOW to the following Gentlemen, who act as an Interim Committee, viz:—

David McHaffie, Esq., of Overton, *Chairman*.
 Robert Stewart, Esq., Merchant in Glasgow.
 Joseph Bain, Esq., of Morriston.
 William Dick, Esq., of Wester Lumloch.
 James W. Robertson, Esq., Merchant in Glasgow.
 Robert McHaffie, Esq., Merchant in Glasgow.
 James Stewart, Esq., Merchant in Glasgow.
 Elias Gibb, Esq., Merchant in Glasgow.
 James Lockhart Spencer, Esq., Merchant in Glasgow.
 Walter Ewing, Esq., Merchant in Glasgow.
 John Miller, Esq., Merchant in Glasgow.
 Alexr. McAslan, Esq., Merchant in Glasgow.
 John Binnie, Esq., Builder in Glasgow.
 Alexander Drysdale, Esq., Merchant in Glasgow.
 William McEwan, Esq., Merchant in Glasgow.
 George Lewis, Esq., Merchant in Glasgow.
 Robert Kerr, Esq., Merchant in Glasgow; and
 William Mitchell, Esq., Interim Manager.

And In

EDINBURGH, to Roderick McKenzie, Esq., W.S.,
 5, Forth Street.
 GREENOCK, Archibald McKellar, Esq.
 STIRLING, Messrs. Wright & McEwan.
 PERTH, John Ballandene, Esq.
 AYR, P. Cowan, Esq.
 LANARK, Thomas Hewitt, Esq.
 HADDINGTON, John Stobie, Esq.
 DUNBAR, William Hamilton Ritchie, Esq.
 DUNBLANE, Andrew Malloch, Esq.
 PAISLEY, John Crawford, Esq.
 HAMILTON, Thomas Dykes, Esq.

GLASGOW, 1st January, 1830.

CONTRACT

OF

CO-PARTNERSHIP

OF

The Glasgow Union Banking Company,

INSTITUTED IN TERMS OF THE ACT,

7 GEO. IV. CAP. 67.

1830.

EDINBURGH:

JAMES GALL, LAW-PRINTER, NIDDERY STREET.

1830.

ABSTRACT
OF THE
ARTICLES OF THE CONTRACT OF CO-PARTNERSHIP
OF THE
GLASGOW UNION BANKING COMPANY.

1830.

The Pages refer to the Printed Copy.

<i>Article</i>	<i>Page</i>
I. Fixes the Name of the Company, - - -	4
II. Specifies Commencement and Endurance of the Company, ib.	
III. Fixes Capital at Two Millions, capable of being increased by a General Meeting—obliges Partners to pay their Shares—to share Profits and Losses—and relieve each other in proportion to their Shares, -	5
IV. Declares Shares to be Moveable or Personal Property, ib.	
V. Specifies Business of Company to be Banking in all its Branches; and when Business is to Commence, -	6
VI. Specifies that the Annual General Meeting and Special General Meetings are to be held in Glasgow—fixes the Day—and Mode of Advertisement, -	ib.
VII. Empowers a certain number of Partners and Directors to call a Special General Meeting—and fixes Mode of doing so. - - -	7
VIII. Specifies who shall preside at such Meetings, -	8
IX. Specifies number of Partners requisite to form a General Meeting, - - - - -	9

<i>Art.</i>	<i>Page</i>
X. Declares that Purchasers of Stock must hold their Shares four months before they can vote, - - -	9
XI. Declares that Partners shall have Votes as follows:—	
1 Share, - - -	1 Vote.
3 Do. - - -	2 do.
5 Do. - - -	3 do.
10 Do. - - -	4 do.
15 Do. - - -	5 do.
20 Do. - - -	6 do.
And one Vote additional for every additional 20 Shares, - - -	ib.
XII. Specifies that Companies and Corporations are to vote by proxy to one of their number, and excludes Agents, &c. from voting, - - -	10
XIII. Appoints Company to be represented by a Chairman, Deputy-Chairman, Ten Extraordinary and Ten Ordinary Directors; but Chairman, Deputy-Chair- man, and Extraordinary Directors, not to be Mem- bers of Direction, - - -	11
XIV. Appoints first Chairman, Deputy-Chairman, and Di- rectors, - - -	ib.
XV. Declares future appointments to be made by General Meetings—Two Directors to go out annually, not again eligible for twelve months—and two new Directors to be annually chosen—Appoints Extra- ordinary to be chosen by Ordinary Directors, - - -	12
XVI. Declares Qualifications of Chairman, Deputy-Chair- man, Extraordinary and Ordinary Directors to be Twenty Shares of Stock; and Disqualifications to be a Sale of Stock—Situation under Company— Contracts with Company—Bankruptcy—and being a Partner or Agent of other Banking Companies, &c. - - -	ib.
XVII. Declares Vacancies in the Directors suppliable by Di- rectors until next Annual Meeting, - - -	13
XVIII. Regulates Meetings of Directors, - - -	14
XIX. Confers general powers of Management on Directors, - - -	15

<i>Art.</i>	<i>Page</i>
XX. Authorises Directors to appoint Managers and other Officers, and fix the Salaries, &c. - - -	16
XXI. Authorises Directors to make Bye-Laws, - - -	17
XXII. Authorises a Call of £20 per cent. and farther Calls with Consent of General Meetings—Fixes Penalties for Non-Payment, - - - - -	ib.
XXIII. Authorises appointment of Agencies and Local Committees of Partners, - - - - -	19
XXIV. Authorises Directors to reserve Shares, to be disposed of for the Benefit of the Company, -	20
XXV. Authorises giving Cash Credits on Stock, and Personal and Heritable Security—and provides for the Case of Directors, Directors' Relations or Partners requiring Accommodation, - - - - -	ib.
XXVI. Declares that Directors shall only be liable for actual Intrusions, and shall be paid for Attendance, -	22
XXVII. Regulates Disposal of Shares by Partners, who must first offer them to the Company—Shares not to be split into fractional parts, - - - - -	ib.
XXVIII. Declares that Partners becoming Bankrupt shall cease to be so, and regulates the disposal of their Shares, - - - - -	24
XXIX. Regulates Disposal of Shares arrested, - - -	ib.
XXX. Regulates the Mode of transferring Shares, - - -	26
XXXI. Declares that after a Call has been made, both Assigner and Assignee are liable for Payment thereof, -	27
XXXII. Stipulates that a Record of the Shareholders shall be kept, - - - - -	ib.
XXXIII. Stipulates that Record shall be criterion of Proprietorship, - - - - -	28
XXXIV. Declares that Partners are relieved of all the debts of the Company when their shares are disposed of, -	29
XXXV. Declares by whom Notes, Bonds, and Obligations, &c. are to be signed, - - - - -	31

<i>Art.</i>	<i>Page</i>
XXXVI. Declares how Diligence and Actions are to be followed forth and defended, - - - -	32
XXXVII. Stipulates as to yearly Balance, - - -	ib.
XXXVIII. Prescribes as to payment of Dividends. -	33
XXXIX. Empowers Directors to apply for a Royal Charter,	34
XL. Stipulates that all disputes between Partners or Directors, shall be referred to arbitration, - - -	35
XLI. Specifies how the Company is to be dissolved if one fourth of the Capital Stock paid up shall have been lost, - - - - -	36
XLII. Specifies how in that event the affairs of the Company shall be wound up, - - - -	38
XLIII. Contains Assignment by the Partners of their shares in security of their obligations to and for the Company, - - - - -	ib.
XLIV. Grants powers to General Meetings and Board of Directors to make additional regulations if found necessary, - - - - -	39
XLV. Specifies mode of subscribing the Contract, -	40
XLVI. The last Clause is the Clause of Registration, -	41

CONTRACT

OF

CO-PARTNERSHIP, &c.

THE parties hereto subscribing, and whose names and designations are inserted in the testing clause of these presents, considering, that, notwithstanding the great extent of Banking business carried on in the CITY of GLASGOW, and the extensive commercial intercourse existing between it and all other parts of the United Kingdom, there has not hitherto been established, in the said City, a LOCAL JOINT STOCK BANKING COMPANY, having numerous Proprietors, and Branches in the principal towns in Scotland; and farther considering, that a well conducted Banking Company, so established, would prove of great benefit to the said City, and to the subscribers themselves, have Resolved and Agreed to form themselves into a Society, or Co-partnership, for the purpose of carrying on the business of Banking in all its branches, in the said City, and principal towns in Scotland, in terms, and under the provisions of, the Act of Parliament, 7th Geo. IV. c. 67, entitled, "An Act to regulate the mode in which certain socie-

ties or co-partnerships, for Banking in Scotland, may sue and be sued:" And for THAT PURPOSE, it is hereby CONTRACTED and AGREED upon, by the parties foresaid, and they hereby BIND and OBLIGE themselves, their heirs, executors, and successors, severally, to implement, perform, and fulfil the whole obligations and conditions, rules and regulations, contained in the Contract under-written, in the whole heads, articles, and clauses thereof.

Name of the
Company.

1. THE Subscribers to these presents, and such other person or persons as shall hereafter become co-partners with them, in manner after provided for, shall constitute a Joint Stock Society or Co-partnership, for the purposes of Banking, to be called and known by and under, the name of, "THE GLASGOW UNION BANKING COMPANY."

Commence-
ment and en-
durance of Co-
partnership.

2. THE said Society, or Co-partnership, shall be held to have been constituted and to have commenced, from and after the 2d day of February 1830, which is hereby declared to be, and to have been the time of commencement of this Co-partnery, notwithstanding the dates hereof; and the said Company, if not sooner dissolved, in consequence of the provision hereafter expressed, shall endure, notwithstanding the death, bankruptcy, or retiring of any of the Partners, from year to year, without at present contemplating a period of dissolution; and during the subsistence of the Co-partnery, the said parties faithfully promise and oblige themselves, severally, to promote and advance the interests of this Company to the utmost of their power and ability.

3. THE Capital Stock of the Company shall be ^{Capital Two Millions sterling, capable of being increased.} Two MILLIONS sterling, divided into Eight Thousand Shares of Two Hundred and Fifty Pounds each, and which capital stock, it is hereby specially declared, may be increased or enlarged to any extent to be fixed and agreed to by the Partners of the said Company, convened at a Special General Meeting, to be held at any future period; and, in order to raise the foresaid capital stock of Two ^{Obligations on Partners to pay their Shares.} Millions, the parties hereto do each of them severally, for their own parts, bind and oblige themselves, their heirs, executors, and successors whomsoever, to contribute, advance, and pay the respective sums of money, corresponding to the number of shares of said stock respectively subscribed by them, as the same are particularly specified in the testing clause hereof, and are likewise *in majoram evidentiā*, adjoined to, or immediately following their respective subscriptions or signatures hereto, or those of their respective mandatories; and which sums of money are held to be herein specially inserted and repeated; and, in proportion to their said subscriptions, they shall have right to the profits, and be liable for the losses, of the said business; ^{Partners to share Profits, and be liable in Losses, in proportion to their Shares.} and they are hereby respectively bound to relieve each other of all the debts and engagements of the Company, in the proportion of their respective interests or shares in the capital stock.

4. THE stock or shares of the Partners, and ^{Shares to be Moveable Property.} property of the said Company, and profits arising thereon, shall be deemed personal, or moveable property, and be transmissible as such, agreeably to the law of Scotland, notwithstanding any real rights held by the Company, or by others for their behoof.

Purposes and
Business of the
Company.

5. THE business of said Company shall consist of banking in all its branches, for issuing notes of all denominations payable to the bearer, advancing or lending money on cash-accounts, real and personal securities, bills of exchange, letters of credit, money on receipts, bills, promissory notes, or other form of obligation usual in banking transactions, investments in the government, or public funds, Exchequer and navy bills, or other securities of the Government of Great Britain, purchases of the stock of this Company, or the stocks of the Bank of England, East India Company, Bank of Scotland, Royal Bank of Scotland, British Linen Company, Commercial Banking Company of Scotland, National Banking Company of Scotland, or the stock or shares of any other company or corporation acting under Royal Charter, or act of Parliament in Great Britain, or in the purchase of such heritable property as may be necessary for the accommodation of the Bank in the carrying on of their business, as after-mentioned, or lending money on heritable security; but for no other adventure, trade, or merchandize, than that of banking in all its branches, or the purchases and investments before enumerated and described; and the Company shall begin to deal and transact business, as Bankers in Glasgow, and other towns in Scotland, as soon as the Ordinary Directors, herein-after appointed, shall think fit.

When to Com-
mence.

Place of Ge-
neral Meet-
ings.
First and other
General Meet-
ings.
One General
Annual Meet-
ing.

6. ALL the stated General and Special General Meetings of the Company shall be held in Glasgow; and there shall be one stated General Meeting of the Company annually; viz. on the 2d. Thursday of

May, being a lawful day, and if not, on the next lawful day thereafter; and the first General Meeting of the said Company, shall be held at Glasgow as aforesaid, upon the second Thursday of May 1831, being a lawful day, as aforesaid, at twelve o'clock noon, before specified; and all future General Meetings of the said Company, (except Special General Meetings,) shall be held on the said second Thursday of May in every year, being a lawful day, and if not, on the next lawful day thereafter, at the hour of twelve o'clock noon; of all which General Meetings, twenty days previous notice at the least, shall be given by public advertisement, mentioning the place and hour of meeting, in two or more of the newspapers usually published in Glasgow and Edinburgh respectively.

7. If it shall at any time appear that a Special General Meeting of the said Company is necessary to be holden, it shall and may be competent, to and for any sixteen or more of the said Proprietors, who may be collectively possessed of one tenth part of the capital stock of the said Company for the time, or any five Directors for the time, who shall be appointed as herein-after mentioned, upon specifying in a writing subscribed by them, the purport thereof, to require the Secretary of the said Company, to call such a Meeting, and the said Secretary shall thereupon convene such Meeting, by giving at least twenty days notice by advertisement, to be inserted in two or more of the newspapers usually published in Glasgow and Edinburgh respectively, and by circular letters addressed to each Partner, signed by the said Secretary, and put

Meetings of
Proprietors
may be speci-
ally convened,
and how.

into the Post Office at Glasgow, specifying the object of such Meeting, the time when, and place where the same is to be holden; and the said Partners are hereby authorised to meet pursuant to such notice; and such of them as shall be present personally, or by proxy, shall proceed to the execution of the powers conferred by this contract on Partners of the said Company, with respect to the matters so specified only; and all such acts of the Partners, or of the major part of them, according to the number of votes which they may be entitled to, as after-mentioned, shall be binding and conclusive upon the rest of the Partners, to all intents and purposes, and shall be as valid and sufficient, with respect to the matters specified in such circular letters, as if the same had been done at any Annual General Meeting, and shall be observed and acted upon accordingly.

Who shall pre-
side at General
Meetings.

8. AT all such General and Special General Meetings of the Partners of said Company, the Chairman of the said Company, and in his absence the Deputy Chairman, to be appointed in manner hereinafter directed, shall preside; and if the Chairman and Deputy Chairman shall not be present, then the Ordinary Director present, whose name shall stand first in the list of Directors, shall be chairman of such meeting; and failing any such, a Partner to be named by the majority of the Meeting shall preside; and such Chairman shall not only be entitled to vote as aforesaid, as a Partner or Proxy, but in case of an equality of votes, shall have a decisive or casting vote.

9. If at any General Meeting or Special General Meeting, twenty Partners shall not assemble, and proceed to business in one hour from the time appointed for such Meeting, or if that number be not present when the whole or any part of the business to be transacted shall be decided upon, the Meeting shall be adjourned to the same day in the following week, or to some other day to be fixed by the Directors, or a quorum of them; of which adjournment notice shall be given in manner foresaid.

Number of
Proprietors re-
quisite to con-
stitute a Gene-
ral Meeting.

10. AFTER the expiration of twelve calendar months from the commencement of the Company before specified, no person or persons, who shall purchase any share or shares in the joint stock of the said Company, shall be admitted to vote in respect of the same, until such person or persons shall have been in possession of such purchased share or shares for the full term of four calendar months, to be computed from the date of registering the transfer thereof in the books of the said Company, as after provided: But this provision shall not operate to prevent or hinder any person or persons from voting immediately after his, her, or their names shall have been registered for, or in respect of, the share or shares which shall devolve to him, her, or them, by marriage or succession.

Purchasers to
be in possession
of their shares
four months
before they can
vote.

11. EVERY Partner of the said Company, who shall hold one or more shares, and his, her, or their respective successors, executors, and assignees, and also any one of the tutors or curators of pupils or minors, and the legal guardians of any furious or fatuous persons, if partners themselves, present at the Stated General Annual Meeting and Special General Meetings, to be held as herein appointed, shall for one share have one vote, for three shares two votes, five shares three votes,

Partners to
have votes ac-
cording to the
number of their
shares.

May vote by
proxy given to
a Co-partner.

ten shares four votes, fifteen shares five votes, twenty shares, six votes, and one vote additional for every entire twenty shares, over and above the first twenty; and every person, who shall be entitled to vote as aforesaid, and who cannot attend such Meetings personally, shall be entitled to vote by proxy, such proxy being himself a Partner, and his appointment to be made by a letter, or other writing, signed by the person so appointing him, in the following terms:—(Insert place and date.) To

Partner of the Glasgow Union Banking Company. “ Sir,—I hereby authorise you, as my proxy “ and mandatory, to attend the General Meeting, (or “ Special General Meeting, as the case may be,) of “ the Partners of the Glasgow Union Banking Com- “ pany, and any adjournment thereof, to be held “ within the , in Glasgow, upon “ the day of , and there to act and vote, “ in my name and behalf, as fully and freely as I “ could do myself if personally present. I am, Sir, “ your obedient servant. (Signed by the Partner.) Provided always, that no individual shall hold more than one proxy at one and the same time; and every question and matter, which shall be proposed, discussed, and considered at such Meetings of the said Company, shall be determined by the majority of votes, and votes by proxy then present, computing the votes as aforesaid.

How joint pro-
prietors or cor-
porations are
to vote.

12. WHEN two or more persons shall be jointly possessed of, or entitled to one or more shares of said stock, such Partners shall be entitled to vote by the person whose name shall stand first in the Company's books as Partner of the said share or shares, or by a proxy appointed by him or her as aforesaid; and when any company, or corporation, shall be possessed of, or entitled to one or more shares, such company, or corporation, shall be entitled to vote

11

by a proxy appointed by the said company or corporation; so that, in no case, more than one person shall vote for or represent such company or corporation; and no factor or trustee, tutor or curator, (if not a partner,) nor any commissioner, or agent, shall be entitled, on any account, to attend any Meeting of this Company, or to vote by proxy or otherwise at the same, or to interfere in any way with the affairs of the Company.

13. In order to regulate the affairs of the said Company, there shall be elected, in manner after-mentioned, a Chairman, and a Deputy Chairman, who shall preside, if present, at all General Meetings of the Company; ten Extraordinary Directors; and ten Partners, who, with the Manager, or failing him, or in his absence, the Cashier, shall act as a Committee of Management, or Directors. But it is hereby declared, that neither the Chairman, Deputy-Chairman, or Extraordinary Directors, shall be Members of the Committee of Management, or Ordinary Direction.

14. That
Chairman, and
Deputy Chairman, and

shall be
shall be
First Chair-
man, Deputy-
Chairman, and
Directors.

shall be Extraordinary Directors, and

with the Manager, or failing him, or in his absence, the Cashier of the Company, shall be Ordinary Directors, and shall constitute the Committee of Management of said Company, and shall transact and perform all the duties of Directors hereafter mentioned, until the General Meeting of Proprie-

tors of the said Company, to be held as aforesaid, upon the second Thursday of May, 1831.

Future ap-
pointment of
Chairman and
Deputy Chair-
man, and Di-
rect and
their qualifica-
tions.

15. At the said first General Meeting of the Company, the said Chairman and Deputy Chairman shall go out of office, but may be re-elected; and the two Directors at the head of the said list of Directors, shall also then cease to be Directors, but may also be re-elected for one year; and in that event shall remain at the head of the list; and an equal number of new Directors shall be elected from among the Proprietors, by the said Company in their stead, (provided the former Directors are not re-elected,) and the names of such new Directors shall be added at the bottom of the said list of Directors; and the said Directors, consisting of the remaining old Directors, and the two new Directors (if the former Directors are not re-elected) so added, shall constitute the Directors for the ensuing year; and in like manner upon the said second Thursday of May in every year thereafter, the Chairman and Deputy Chairman shall go out of office, but may be re-elected; and the two Directors at the head of the said list shall cease to be Directors, and two other Directors shall be elected by the said Company, and be placed at the bottom of the said list as aforesaid; and the Directors so ceasing to be Directors, shall not again be eligible until they shall have been a year at least out of office; and the Ordinary Directors so elected, shall name and appoint the ten Extraordinary Directors above mentioned, immediately after the said Annual Meetings.

Board of Di-
rectors to name
Ordinary Di-
rectors.

Qualification
of Directors.
No Person
holding Places
of Profit, or
Member of any

16. It is hereby declared, that no person shall be qualified to act as a Chairman, Deputy-Chairman, Director, or Member of the Committee of Management of the said Company, who shall not

be possessed of twenty shares at least of the stock of the said Company; and in the event of any of the said Directors disposing of his stock, so as not to be possessed of such number of shares qualifying him to be a Director, or Member of Committee, as aforesaid, such person shall, *ipso facto*, cease, and shall be no longer entitled to act as a Director: Provided also, that no person shall be qualified to be elected, or to serve as a Director, who shall permanently reside at a greater distance than ten miles from Glasgow, or who shall hold any place of profit under the said Company, other than the Manager or Cashier aforesaid, or who shall be concerned or interested in any contract to be made or entered into, or who shall offer to take, or shall actually participate in any work to be done for the said Company, whether by contract or otherwise, or who shall be sequestrated under the Bankrupt Statute, or fall into a state of notour bankruptcy, or shall become a banker, or partner in another banking company in Scotland, with the exception of joint stock companies consisting of fifty partners and upwards, or shall become a bank agent. Declaring also, that as often as a co-partnership in any other trade, except joint stock companies as aforesaid, shall be formed by two or more Directors, the remaining Members shall, by a minute in their sederunt book, have the power to declare that only one, and whom, of such co-partnership shall continue to act as a Director, and the rest shall, *ipso facto*, be thenceforth disqualified from being any longer a Director or Directors.

17. It is hereby declared, that when, and as often as the Chairman, Deputy-Chairman, or any Extraordinary, or Ordinary Director to be elected by virtue

other Banking Company, shall be eligible as a Director.

For Supplying Vacancies in the Direction.

of this contract, shall die, resign, or become disqualified as aforesaid, or any Director shall refuse or neglect to attend the Meetings of the said Committee of Management for the space of three successive calendar months, without sufficient cause assigned to the satisfaction of his Co-Directors, the remaining Directors, or Members of said Committee, at a Meeting specially convened for that purpose, shall choose another Chairman and Deputy-Chairman, and some other Partner, as a Director or Member of Committee, in the place which may thus be vacated; and every such person so to be elected to fill any such vacancy, shall only continue in his office as Chairman, Deputy-Chairman, or Director, until the next Annual General Meeting thereafter.

Regulation of
the Meeting
of Directors.

13. For the better management of the affairs of the said Company, the Ordinary Directors, for the time being, shall, from time to time, assemble and meet together at the Company's board-room, or any other place, or places, in Glasgow, for the direction and management of the affairs of the said Company, at least once a week throughout the year: And a certain number of Directors, to be fixed by the Committee of management, shall attend at the Bank daily, or as often as necessary, to superintend the business of the Company; and at such Meetings the Directors, shall preside by rotation; and any five, or more, of the Directors, or Members of Committee, but not less, shall be a sufficient number or quorum to constitute a Meeting for the purpose of doing all the acts and matters, and exercising all the powers and authorities vested in them as a Committee of Management; and all questions and matters which shall be proposed, discussed, or considered by the

said Directors, at their Meetings, shall be decided and determined by the majority of Directors, then present; but no Director shall have more than one vote at any such Meeting, except in cases of equality of votes, when the presiding Director shall have not only a deliberative vote, but a casting vote also. And the said Directors are hereby authorised to frame such farther regulations in regard to the time and mode of their attendance and proceedings at their meetings, as they shall find expedient; and in particular, may appoint any of their number, not less than two, with the Manager or Cashier, as Sub-committees may be appointed, for particular purposes, for the better attending to and transacting the business of the said Company, and their actings shall be subject to the approval of the Committee of Management, or their quorum, before specified.

19. THE Committee of Management, or Directors hereby appointed, and those to be appointed hereafter in terms of this contract, are hereby authorised and empowered to superintend, direct, manage, and transact the whole business and concerns of the said Company; and to carry on the business of banking for behoof of the said Company, in all its branches, as above specified; and on behalf of the said Company, to contract for and purchase, and sell again, all such lands, tenements, or heritages, as shall be requisite for carrying on the business of the said Company, and to build, take on lease, or otherwise acquire, proper premises for a Bank in Glasgow, and in other places where Branches shall be established, and all such materials and other things as shall or may be wanted for the proper and efficient establishment of the said Company.

Powers of the
Committee of
Management.

Contract for
and purchase
Bank, &c.

Directors ap-
point Officers.

20. IN particular, without prejudice to the fore-
said generality, the said Directors are hereby au-
thorised and empowered, from time to time, to no-
minate and appoint, by a writing to be engrossed
in their sederunt book, a Manager, Cashier, Secre-
tary, and Accountant, to whom the said Directors
may allot, from time to time, such salaries as to
them shall seem proper; and it shall be in the
power of the said Directors to dismiss them when
they see occasion, provided that two-thirds at least
of the said Directors shall concur in such dismissal;
and they are hereby authorised to appoint successors
to them: And the said Manager, Cashier, Secretary,
and Accountant, and their successors in office, and

Managers and
other officers
to find caution.

other officers of the Company, shall find caution, or
grant security, for their intromissions, and faithful
discharge of their office, to the satisfaction of the Di-
rectors for the time being, and to what extent they
shall think proper to require: Providing, *first*, That
the security from the Manager shall not amount to
less than L.10,000 sterling, and he shall, moreover,
hold not less than thirty shares of the Company's
stock; and whatever additional shares, over and
above the said thirty, he may hold of the said stock,
shall, to the extent of the money advanced upon such
stock, be held and imputed *pro tanto* of the security
foresaid. *Secondly*, That the security from the
Cashier shall not amount to less than L.8000 ster-
ling, and he shall, moreover, hold not less than
twenty shares of the Company's stock; and what-
ever additional shares, over and above the said twen-
ty, he may hold of the said stock, shall, to the ex-
tent of the money advanced upon such stock, be held
and imputed *pro tanto* of the security foresaid. *Third-
ly*, That the security from the Secretary shall amount

to not less than L.3000; from the Accountant to not less than L.1000; and from each Teller, to not less than L.3000 each; and the said Secretary and Accountant shall, moreover, respectively hold not less than ten shares of the Company's stock; and whatever additional shares they may respectively hold of said stock, over and above their said ten respective shares, shall, to the extent of the money advanced upon such stock, be held and imputed *pro tanto* of their respective securities foresaid; and the Directors shall also name and appoint all other Officers and Clerks that shall be deemed necessary, and remove them at pleasure, and fix their salaries and allowances, and give them such other remuneration, over and above their salaries, as they may deem just.

21. THE said Directors shall also have full power and authority, from time to time, to make such rules, orders, and bye-laws, and to confer such powers and authorities on the Manager and others foresaid as to them shall seem meet and proper, for the good government of the affairs of the said Company, and for regulating the proceedings of all officers, servants, and others, to be employed in and about the affairs and business of the said Company.

22. THE said Directors are hereby authorised to call upon the Partners to pay up £20 per centum on each of the shares of the Company's stock subscribed for by them respectively; and that at such times, and in such proportions or instalments as they shall think proper, with interest on the respective instalments from the date of the demand for payment

Penalties for
Non-payment
of first and
other Calls.

thereof, until payment is made, at the rate of ~~£5~~ per centum; and after the consent of a General Meeting, or Special General Meeting, to that effect, the Directors are hereby authorised to call for, and the Partners shall be bound to advance, such further instalments or proportions of the amount of the said shares as shall be demanded by the Directors, in their discretion, with interest from and after the several terms of payment thereof; and in case the first instalment required by the Directors shall not be regularly paid by any of the Partners within six weeks after the demand so made by the said Directors, with interest thereon, it shall, after the lapse of the said period of six weeks, be in the power of the said Directors, either to do diligence or raise action hereon for the same, and for a fifth part more of penalty, (the said penalty to be added to the general account of profit and loss,) or it shall be in the option of the Directors, to declare the persons failing in payment of the said instalment, to be no longer Partners of this Company,—such resolution of the said Directors to be communicated by letters to such defaulters, under the hand of the Secretary; and immediately thereafter, without any farther intimation or process of law to be used for that effect, it shall be in the power of the said Directors to dispose of the said shares as they shall think proper; and in case the second, or any of the subsequent instalments, or sums demanded by the said Directors, in farther payment of this stock, shall not be regularly paid by any of the Partners, within the period of six weeks assigned for the payment of the same, in manner foresaid, with interest thereon, it

shall be in the power of the Directors, either to do diligence, or prosecute for the same, as said is, and a fifth part more of penalty, to be added to the general account of profit and loss, or, in their option, to sell and convey the shares of the said Partners failing to pay up as aforesaid, and that by public sale, in the same manner as is herein after provided; and after the nett proceeds of such sales shall be accounted for or paid over to such defaulters, all further claims by them, or their representatives, on the stock and profits of the Company, in any manner of way, are hereby declared to be discharged and extinguished, and are hereby severally discharged and renounced by the subscribers hereof, each for himself, as the case may occur, such defaulters ceasing from the moment of said sale to be Partners herein: And the Directors shall be entitled, on such sale, to receive and discharge the prices, and to assign and convey the said shares to the purchasers. Declaring, that in all cases where intimation is required or allowed to be made to the Partners by a letter, it shall be sufficient, that such letter or letters shall be put into the General Post Office of Glasgow, by a clerk or servant of the Company, whose attestation to that effect shall be conclusive evidence of the fact.

23. THE said Directors are farther hereby authorised to establish agencies, or branches of the said Bank, in such towns and places in Scotland as they may deem most conducive to the interest of the Company, and to appoint agents, cashiers, accountants, and other officers for carrying on the same, with such salaries and appointments as they shall

Directors to
appoint agencies and local
Committees of
Management.

think requisite; and taking such security for their intrusions respectively as they may deem reasonable. And if the said agencies should prove unsuccessful, they are hereby authorised to suppress the same. And for farther promoting the interest of the said Company, the said Directors are hereby authorised to appoint three or more persons, being Partners of the Company, who shall constitute a Local Committee at the place where such branch is established, with whom the agent shall advise, when necessary, and who shall be invested with such powers of controul as the said Directors may confer upon them by a minute in their sederunt book, an extract of which, duly certified by the Secretary, shall be sent to the members of Committee so appointed, and to the agent of such branch.

Directors may dispose of reserved shares at certain rates.

24. It is hereby declared that so soon as 5000 shares of the capital stock of the Company shall be subscribed, the remaining shares thereof shall be declared to be vested in the Company; but it shall nevertheless be in the power of the said Directors to dispose of 1000 shares of said stock, to such persons as they shall deem eligible Partners, at such rates, and at such periods, as they may judge expedient: Providing always, that the said rates shall not be less than £250 for each share, and interest of any instalments paid thereon at the rate of £5 per centum, from the time such instalment was payable, until the date of disposal of said shares.

Power to give cash credits to Partners and others, and to what extent, and in what terms.

25. THE said Directors are hereby authorised to give credit, on cash accounts, to the Partners of the Company, to the extent, or amount, of one-half of

their advanced stock, and to such farther extent as the circumstances of the Company, and the value of the stock may seem to warrant, without any farther or collateral security but that arising from the right of retention competent to the Company, and assignation in security hereinafter contained; but to no other person, or persons, unless (on bond,) with security, real or personal, to their satisfaction: And if such cash credits are granted on personal bond, there shall be at least two securities or cautioners, besides the principal party, who shall all be taken bound, conjunctly and severally, as co-principals, for the amount to be drawn, in virtue of such cash credit, with such other additional stipulations as shall be deemed advisable, for the more ready recovery of the amount drawn in virtue of such cash credit: and if such cash credits are granted on heritable security, the rights and securities shall be either on disposition in security, with a power of sale, or an absolute disposition qualified with a back bond. But it is hereby declared, that no partner shall be entitled to demand or insist for a cash credit to any amount whatever; but the same shall be given or withheld at the discretion and in the option of the Directors, according as they shall consider applicants for cash-credits suitable customers or dealers with the Company; and no Director shall have a vote in judging of bills for discount, or applications for credit on cash-accounts, where he himself, or any person who, with respect to him, might, by the law of Scotland, be held a conjunct and confident person with him, or any partner in any other company (other than a joint stock com-

Directors to
have no vote
on Bills, &c.
belonging to
themselves,
partners, or
relations.

22

pany having more than fifty partners) of which he is a member, is a party.

Directors liable
only for their
intromissions.

26. THE Directors shall not be liable for omissions, nor shall they, or the Manager, Cashier, or other officer, be liable for the sufficiency of persons dealing with the Company, nor for the sufficiency of the securities or properties in which they may invest the funds of the Company as aforesaid; nor shall the Directors be liable for the acts and intromissions of the Manager, or other officers of the Company, appointed, or to be appointed as aforesaid, or of any other persons entrusted with the business of the Company; nor shall they be liable *in solidum*, nor for the intromissions of each other, but each of them for his own actings and intromissions alienarly.

Directors to be
paid for atten-
dence.

Declaring hereby, that the Directors shall not be paid for their attendance until the first Annual General Meeting of the Company after the first dividend is declared, when the amount to be paid to them shall be fixed by the Meeting.

Partners may
sell their
shares, after
offering them
to the Compa-
ny, and may
dispose of
them by deed,
mortis causa.

27. THE Partners shall be at liberty to sell and dispose of the whole, or any number of the shares held by them, and that either gratuitously, or for any onerous consideration, *inter vivos*, or *mortis causa*; but declaring always, that no gratuitous conveyance, *inter vivos*, shall be effectual without the sanction of the Board of Directors; that a sale or conveyance, *inter vivos*, for an onerous consideration, shall not be competent or recognised until twelve months after the commencement of the Company, and then, and at all future periods, an offer of the share or

shares shall be first made in writing, to the Directors, for behoof of the Company; which offer the Directors shall have full power to accept, and three lawful days shall be allowed them to consider of the same; and if such offer shall be declined, or not accepted of, by the Directors, within the said period of three days, then and after the lapse thereof, the Partner making the offer shall be entitled to make a sale, or sales of such shares to any person, or persons he thinks proper, at, or above the price demanded for the same, from the Company; but he shall not be entitled to make such sale to any person at a lower price, until a new written offer at such lower price, shall first have been made to the Directors, and declined, or not accepted of by them, in the same manner as provided with regard to the first offer; but declaring always, that it shall not be lawful for any persons by deed, *inter vivos*, to assign or sell less than one share of the capital stock of the Company: and in case the number of shares of a deceased Partner shall happen to be divided, either by the laws of succession, or by a deed, *mortis causa*, into parts less than one share, the holders of such fractional parts, unless they shall agree among themselves, so that no more than one person connected with such shares shall be holder of one and the same share, shall have no right, in any respect, to interfere with the management of the Company, or attend at the Meetings of the Partners thereof, but they shall, in every other respect, be subject to the same rules and regulations, with regard to sales and otherwise, as if they were each and every one of them holders of complete and integral shares.

Shares not to
be divided into
fractional
parts.

Partners be-
coming Bank-
rupt, cease to
be Partners.

23. IN case of the sequestration under the bank-
rupt statute, or the notour bankruptcy of any of the
Partners, such persons shall, from thenceforth, cease
to exercise the right of Partners, and the shares
held by them shall be sold within six months
thereafter, by the trustees of such persons, if they
have any; and failing thereof, then it shall be law-
ful to, and in the power of the Directors, to sell
and dispose of the share, or shares, held by such
persons, immediately after the lapse of said space,
by public sale, in manner after directed; the Di-
rectors, in such case, being obliged to account
to those having right for the nett proceeds of said
sales, after deducting the charges incurred, and
debts owing to the Company by said Partners,
whose estates have been sequestrated, or who have
become notour bankrupts. Declaring, as it is here-
by specially declared, provided, and agreed to,
that instead of bringing the shares of Partners,
whose estates have been sequestrated, or become
notour bankrupts, to sale, as above directed, or al-
lowing trustees so to do, it shall be in the power
of the Directors, if they think fit, to take the
shares for the behoof of the Company, at the value
put upon the Company's stock, in the minutes of
the Meeting of Directors for doequeting the last
annual balance of the Company's affairs; and to
transfer the shares in the Company's books at that
valuation accordingly.

How Shares
arrested are to
be disposed of.

29. IN case the shares, or interest of any Partner of
the Company shall be arrested in the hands of the Com-
pany, such Partner shall be obliged to loose the ar-
restment within three months, after being required

25

thereto by letter, from the Secretary of the Company or other officer appointed by the Directors; and in like manner, in case the shares, or interest, of any Partners deceasing shall be attached by the diligence of confirmation, *qua* creditor, his representatives, if he any have, shall be obliged to purge the same also within three months, after being required thereto by letter, from the officer of the Company appointed by the Directors; otherwise, and in either of these cases, and also in the case where no person chooses to represent the deceased partners, by confirming executor, within six months after his decease, it shall be in the power of the Directors to sell and dispose of such shares by public roup, to uplift the proceeds thereof, and to account to those having right for the nett proceeds, after defraying the necessary charges, and other deductions, and that in the same manner as if the Partner had become bankrupt, and as is provided for in the immediately preceding Article; but in like manner declaring, as it is hereby specially declared, provided, and agreed, that instead of bringing to sale, as above directed, shares arrested or attached by the diligence of confirmation, *qua* creditor, and those to which no title shall have been made up by confirmation, within six months as aforesaid, it shall be in the power of the Directors, if they think fit, to take the shares for behoof of the Company, at the value put upon the Company's stock, in the minutes of the Meeting of the Directors for docqueting the last annual balance of the Company's affairs, and to transfer the shares in the Company's books at that valuation accordingly.

Mode of trans-
ferring Shares.

30. WHERE the share or shares of any Partner are transferred, conveyed, or sold, in terms of the above articles, and that either by the Partners, or Directors, the assignation thereof shall be in the following terms:

Form of
Transfer.

" I, A B, in consideration of paid
" to me by C D, do hereby sell, assign, convey,
" transfer, and make over to, and in favour of the
" said C D, the sum of capital stock of
" and in the Glasgow Union Banking Company,
" being one share (or so many shares as the case
" may be, Numbers) in the said Company, to
" be held by the said C D, his executors, adminis-
" trators, and assignees. And I, the said C D, do
" hereby agree to take and accept the said capital
" stock, and hereby become a Partner of said Com-
" pany, and bind and oblige myself, as such, to im-
" plement, perform, and fulfil the whole obligations
" and conditions, rules and regulations, contained
" in the Company's contract of copartnery, which
" are here held as repeated *brevitatis causa*, more
" particularly to the effect of authorising summary
" diligence thereon. And we consent to the regis-
" tration hereof in the books of Council and Ses-
" sion, or others competent, therein to remain for
" preservation; and if necessary, that letters of
" horning, on six days' charge, and all other neces-
" sary execution may pass hereon, and on said con-
" tract, in common form; and for that purpose, we
" constitute
" our procurators, &c. In
" witnesswhereof, we have subscribed these presents,
" written by at the
" day of before these witnesses."
And on every such sale, the said deed of convey-

ance being executed, shall be kept by the purchasers, after the officer of the Company, appointed by the Directors for that purpose, shall have entered in a proper book or books, to be kept for that purpose, a copy of such sale or transfer, and have testified the entry of such copy on the said deed of conveyance, for which fees shall be paid at the following rates; viz. for a transfer of Stock not exceeding one share, 5s. three shares, 7s. 6d. five shares, 10s. ten shares, 15s. fifteen shares, L1, and twenty shares and upwards, L1, 10s. which fees shall be paid by the purchaser or assignee, to be applied for the benefit of the Company, as the Directors may think fit; and in like manner shall be recorded in said book, all conveyances of shares, either acquired by succession or *moris causa*; and no Proprietor of shares so acquired, shall be recognised as a Partner, until such entry is made, and he becomes bound in terms of the foregoing transference.

31. AFTER a call shall have been made by the Directors, for the whole, or any part of the shares subscribed, as aforesaid, every person selling or transferring any share or shares, which he, she, or they shall possess in the said Company, shall, as well as the person or persons to whom such share or shares shall be sold, be liable in the payment of every such call, made in the manner herein before directed, unless such person or persons so selling, or transferring, shall, at the time of such sale or transfer, have paid and discharged to the said Company the whole and entire sum of money, which shall have been called for upon such share so sold and transferred.

After a call is made, both the assigner and assignee are liable in payment.

32. THE said Directors shall, and they are hereby required to cause the names and designations

A record of the Shareholders shall be kept.

of the several persons who shall be entitled to shares in the said Company, with the number of the shares, and also the proper number by which every share shall be distinguished, to be fairly and distinctly entered in a book, to be kept in the Company's Office for the purpose, and after such entry, to cause the same to be signed by the Chairman of the Directors, or such officer as they may empower and appoint to do so, and shall also cause a certificate, signed by one of the Directors, or officer so authorised, to be delivered to every Partner on demand, specifying the share or shares to which he, she, or they, is or are entitled in the said Company; and shall cause the whole provisions of the Act 7 Geo. IV. c. 67, before specified, to be strictly enforced and obeyed in the whole heads, articles, and clauses thereof.

The record-book shall be the criterion of Proprietorship.

38. THE person or persons, companies or corporations, whose names shall at any time stand in the said register book, or list of Partners of the said Company, whether as original subscribers, or as successors, executors, administrators, or assignees of subscribers, shall be deemed, and taken to be the proprietors of the several shares standing in the said book, in their respective names, and shall be subject and liable to the payment of every call or calls made, and to be made thereon, and to all actions, suits, forfeitures, and penalties, and entitled to the whole profits, to which original Proprietors of shares in the said Company are made subject and liable by this contract; and all notices hereby required to be given, shall be given to the party appearing by the said register book of the said Company, to

29

be such Partners, or their representatives, or left at his, her, or their last or most usual place of abode, be in all respects good, sufficient, and conclusive; and all payments of interest and dividends due, and to become due on such shares, shall be made to such persons as by the said books of the said Company shall so appear to be Partners; and no assignment, transfer, conveyance, or sale of any share or shares, or other instrument giving title to any share or shares, which shall not have been enrolled or registered, as directed by this contract, shall be admitted as evidence, either to defeat any action or suit, brought or to be brought by the said Company to recover the said calls, or to entitle any person to recover shares forfeited to the said Company, or to make the said Company liable in the payment of dividends, or to found any other claim whatever against the said Company; or to any other person, than such as shall appear from the said book to be Proprietors of the said shares; but that in all cases the said book shall be considered as sufficient and conclusive evidence of the proprietorship of the said shares.

24. EVERY Partner who shall dispose of his share of the Company's stock, agreeably to the regulations above written, or who shall cease to hold an interest in the concern, through forfeiture or otherwise, shall, in all time thereafter, be entitled to relief of the whole debts owing by the Company, and of all obligations granted for the same, and, in general, of every prestation incumbent on him as a Partner of the Company: And the other Partners

Persons owing to be Partners relieved of all the debts of the Company.

30

Accounts to be
decqueted so as
to free persons
ceasing to be
Partners.

shall be bound, as they hereby bind and oblige themselves, to relieve him, his heirs and successors, of the same: But declaring always, that no person coming to the right of said shares, formerly belonging to such Partners so ceasing to have right, shall have any claim against his Co-partners for relief from the debts and obligations contracted by the Company, notwithstanding the same may have been contracted previously to his becoming a Partner as aforesaid, but he shall take the precise place of his author or ancestor, and become subject to all the obligations incumbent upon him: And in order still further to secure persons ceasing to be partners of the said Company, from all claims on the part of persons transacting business, and having accounts with the said Company, it is hereby specially directed, that on balancing, or settling all accounts, on which a balance shall be due by the said Company, a decquet, or decquets, in the following, or any other terms of similar import, which the said Directors shall appoint, shall be signed by the parties to such accounts, and by the Accountant on the part of the said Company: viz.

First Form.

" At , the day of
" , 18 —Which day, the above
" account having been duly examined by the sub-
" scribers, and the vouchers compared, and delivered
" up, the said balance of £ sterling arising
" thereon was paid to the said , and
" the partners of the Glasgow Union Banking Com-

31

" party, as well past as present, are hereby discharged
 " of all claims arising thereon.

(Signed) " A. B.
 " C. D. Acc."

Second Form.

" At , the day of
 " 18 .—Which day, at the desire
 " of the said , the foresaid
 " balance of £ is placed to his credit with
 " the present Partners of the Glasgow Union Bank
 " ing Company.

(Signed) " A. B.
 " C. D. Acc."

35. THE notes or obligations of the Company, by whom the bank notes are to be signed. commonly called bank-notes, shall be subscribed by such officers of the Company as shall be appointed by the Directors, by a minute in their sederunt-book; and all other bills, promissory notes, indorsations of bills and receipts, shall be taken to, and given and signed by the Manager, or Cashier, or some other officer of the Company, holding a power of attorney from the Manager, approved of by the Directors: And every receipt, promissory note, or draft, other than bank notes, shall be marked by the subscription Bills and receipts and indorsations. of the teller who received the value or amount for which such receipt, promissory note, or draft was granted: And all bonds, and dispositions, heritable Bonds, securities, and other deeds of importance. and moveable, and other writings and contracts, title-deeds, and securities, shall be taken to, and in name of the Manager and Cashier, and their successors in office respectively. And all bonds, sub-

missions, and other deeds and contracts, to be executed by the Company, shall, in like manner, be signed and executed by the Manager and Cashier for the time being; and all bank notes, promisory notes, bills, receipts, indorsations of bills, and promisory notes, and the other writings and deeds signed and executed in manner, or under the authority foresaid, shall bind the Company as effectually as if the whole Partners had signed the same; the said Company being always hereby obliged to relieve their said Manager and Cashier, so subscribing, of all such writings to be granted by them, in virtue of the powers above mentioned: And in like manner, all persons paying or fulfilling their obligations or contracts to the persons so authorised, shall be completely discharged of the same.

How the Company is to sue and be sued.

36. ALL diligence and all actions by and against the Company, shall be done in name of the Manager, cashier, or other principal officer of the Company, to be appointed by the Directors, in terms of the foresaid Act, 7 Geo. IV. c. 67.

Period of yearly balance.

37. THE books of the Company shall be balanced upon the said 1st day of May 1821. and upon the 1st day of May in each succeeding year, if a lawful day, or if not, then upon the first lawful day immediately preceding, when statements or abstracts of the Company's affairs shall be made out; and which statement or abstracts shall be regularly examined, docketed, and signed by the Committee of Management, or their quorum, previous to the fore-

50

said general meetings to be held on the said second Thursday of May yearly ; and at that meeting, it shall be laid upon the table for inspection of the Partners, and the substance thereof read or stated by the Chairman ; and it shall be in the power of each meeting, if they shall think fit, to appoint a private Committee, consisting of three Partners of the Company, holding at least twenty shares each of the Company's stock, for auditing and reporting upon such yearly states, at a future general meeting to be called for the purpose : and the written report of such private Committee shall be lodged in the hands of the Manager of the Company, at least eight days previous to the general Meeting, at which the same is to be considered ; and such private Committee shall be entitled to call for the assistance of what number of the Directors and officers of the Company, they shall think fit : Declaring always, that the partners shall on no account, or on any pretence, have right to investigate the books and affairs of the Company in any other mode or form than that above mentioned : And no assignation of stock shall be admitted or entered into the books of the Company for eight days previous to the period when the said books are directed to be balanced, as above mentioned, nor until after said annual general meeting.

Stock not to be assigned eight days before balance.

38. For the first year, no dividend of profits shall be made ; but the same, after defraying the expense attending the first year's management, shall be retained to answer contingencies ; but such part of the clear interest and profits of every suc-

Payment of dividends.

ceeding year, as these shall appear at the time of each balance, shall be divided among the Partners in proportion to their several shares in the concern, to such extent, and at such periods, as shall be fixed by the Directors: Declaring, nevertheless, as it is hereby provided, declared, and agreed on, that it shall be in the power of the Committee of Management, to accumulate from the profits a sinking fund to such extent as they shall think reasonable for the purpose of meeting contingencies; and it is hereby expressly understood and agreed on, that no interest shall in any event be payable upon the dividends due to the Partners of the Company, while the same remain uncalled for by them.

Board of Directors empowered to apply for a Charter.

39. As it may be expedient that this Company should be incorporated into a body-politic, either by Royal Charter or Act of Parliament, or in any other way which may be consistent with the laws of the country, the Directors before named are hereby authorised to apply as soon as may be for such incorporating charter, Act of Parliament, or other grant, in order that the subscribers to this contract, and all others who shall hereafter become Proprietors of the stock of this Company, may have right, as one body-politic and corporate, under the title of the "*Glasgow Union Banking Company*," to use a common seal, and to purchase, acquire, hold and enjoy, and to grant, sell, alienate, and dispose of all lands, tenements, and heritable property of every description, and all sums of money, and moveable goods and gear of every kind; and to do all other things which any other Company, or corporate body, can or may lawfully do, or cause to be done.

40. All disputes, controversies, and differences whatever, relative to and connected with the present Co-Partnership, which may arise or occur between any of the Partners, among each other, or between the Company and its Directors, or between the Directors and individual Members, shall be submitted and referred to the amicable decision, final sentence, and decree-arbitral of such person, or persons, as the parties submitters shall mutually appoint; but in case of disagreement between the said parties, as to the arbiter, or arbiters to be thus appointed, or in case of refusal on either side to condescend on an arbiter at all, then, and in either of these cases, the said disputes, controversies, and differences, shall be submitted and referred to the amicable decision, final sentence, and decree-arbitral of the first Assessor of the city of Glasgow; whom failing, the Professor of Scots law in the University of Glasgow; whom failing, the Dean of the Faculty of Advocates for the time being; and each of said respective parties, between whom such differences, or disputes, shall occur, shall be obliged, when required by any other of the said respective parties, to enter into a regular submission, in order to render the present Article effectual; and it is hereby declared, that in case the said submission shall be entered into, to the Dean of Faculty, and accepted of by him, he shall have power to decide the matters thereby submitted, notwithstanding he should go out of his office of Dean of Faculty; and in case any submission to be entered into, in virtue hereof, should lapse, or otherwise fall, the matter submitted shall of new be

All Disputes
between the
Partners shall
be referred to
Arbitration

submitted to arbitration in manner foresaid, and all probations under the proceedings that may have taken place in the former submission, shall be held and received as evidence *quantum et quale* in the new submission to be entered into, touching the premises.

How the Com-
pany may be
Dissolved.

41. It is hereby expressly provided and declared, that if it shall at any time appear, on balancing the Company's books, that a sum equal to one-fourth of the capital stock paid up, has been lost, in prosecution of the business of the Company, it shall be in the power of one-fourth of the Partners in number and original value of their stock, to dissolve the Company, if they shall think proper: Provided always, that such dissolution shall receive the sanction and authority of two several General Meetings of the Company, to be specially called for that purpose; that is to say, the motion or proposal for such dissolution shall, in the first place, be entertained and judged advisable by one-fourth of the Company in number of persons, and possessed also of one-fourth part of the stock of the Company subscribed for at the time, present by themselves or their proxies, at a General Meeting of the Company, to be called for the purpose, upon the requisition either of a tenth of the Partners of the Company in number, possessed also of a tenth part of the capital stock subscribed for at the time, or of any five Ordinary Directors; and that by circular letters to each partner of the Company, and by advertisement in each of three Glasgow and Edinburgh newspapers respectively, and also in the Edinburgh and London Gazettes, at least once every week for the

space of one month before such meeting is to be held, in which circular letters the purpose of the Meeting shall be distinctly specified, and the said motion or proposal of dissolution must likewise be thereafter finally approved of, and assented to by one-fourth of the Company, in number of persons possessed also of one-fourth part of the capital stock of the Company subscribed for at the time, present by themselves, or their proxies, at a second General Meeting also called for the purpose, upon the requisition, either of a tenth part of the Partners of the Company in number, possessed also of a tenth part of the capital stock of the Company subscribed for at the time, or of any five Directors, to be held at least at the distance of two months from the date of the former Meeting, and to be notified by the same course of previous notification by circular letters and advertisement. Declaring, that if the said motion or proposal of dissolution be rejected at the first of the said two Meetings, that then, and in that case, no second Meeting shall at all be necessary; but if, on the other hand, it shall be sanctioned and approved of, by both of the said Meetings, by one-fourth part of the Company in number of persons, possessed also of one-fourth part of the capital stock of the Company, as is before provided for, then a minute in the books of the Company, declaratory of their resolution to dissolve the co-partnership, shall be sufficient without any other form. Declaring hereby, that during the dependence of any question or motion, relative either to the prorogation or dissolution of the Company, no transfer or sale of any share or shares of the Company's stock shall take place or be allowed.

The mode in
which the
Company's
affairs shall be
wound up.

42. IN the event of the dissolution of the Company, by the resolution of the Partners under the immediately preceding Article, or in any manner whatsoever, the affairs of the Company shall be wound up, and their funds and property converted into money, with every possible despatch; and that by such person or persons, and in such manner as shall be fixed on at any General Meeting, by a majority of the votes of the Partners, counting the same in terms of the foresaid table; and the said persons so chosen to wind up the Company's affairs as aforesaid, shall be obliged to find security to the satisfaction of the Ordinary Directors for the time, for their whole intromissions with the funds of the Company, and others to be recovered by them.

Assignment by
the Partners,
of their shares
in security of
their obligations
to the
Company.

43. THE parties hereto, and their heirs and successors, shall be bound and obliged to fulfil, perform, and observe their respective parts of the present contract, and to abide by and implement the other regulations and bye-laws of the Company in force for the time, in the whole clauses and articles thereof, with good faith, and according to the true intent and meaning of the same, and that under the penalty of Five Pounds sterling for each share holden by them for the time, to be paid by each of the Partners failing, to the Manager, or other officer appointed by the Directors, for the Company's behoof, over and above performance; and each of the Partners hereby assigns, conveys, and makes over to the said Company, and to the Directors thereof, for the time being, his whole shares of the capital stock, and of the profits thereon accruing, in security of the debts and engagements of the Company, and in security of any debts, obligations, or prestations whatever, that shall be-

come owing and prestable by each Partner to the Company; and each Partner hereby authorises and empowers the said Directors for behoof of the Company, if necessary, to sell and dispoise of the said Partners' shares of the Company's stock, in manner above provided. And the whole conditions of this contract shall be equally binding on female as on male Partners.

44. THAT the whole clauses and conditions of this deed are declared to be fundamental articles of this Co-partnership; but nevertheless, upon a motion being made, and laid upon the table at a General Meeting, and considered at the next annual General Meeting, any of the clauses and conditions of this deed may be altered, varied, or modified, provided a majority of the Members present at the said annual General Meeting, personally or by proxy, voting in manner before specified, shall so determine; and provided also, that it shall be in the power of any General Meeting of the Company, or of the Directors for the time being, to make what farther or additional regulations experience may suggest in the prosecution of the business, if consistent with these presents; and which additional regulations, if made by the Board of Directors, shall be in force and binding upon the Company only from the time of their being made till the next General Meeting of the Company, when they shall be reported to the said General Meeting; and if then approved of, they shall be binding upon the Company till altered by some future or subsequent General Meeting; but if rejected, or disapproved of, by said General Meeting, such, or similar regulations shall not be again made, or acted upon by the Directors at any time, until the same or similar regulations shall be brought forward

Power given
to General
Meetings, and
Board of Di-
rectors, to
make addi-
tional regula-
tions.

or approved of, or made by a General Meeting of the Company : But declaring always, that this shall not apply to any regulations, rules, or orders which may be made by the Directors in virtue of the powers herein before conferred on them.

Made of sub-
scribing the
contract.

45. IN regard there may be Partners of this Company who cannot conveniently subscribe these presents in person, it is therefore hereby resolved and agreed upon, that such persons may either subscribe by attorney, lawfully authorised to act for them, or may themselves sign a regular deed or deeds of accession, as relative hereto ; it being hereby declared, that every person so subscribing by attorney, as aforesaid, or himself signing such deed or deeds of accession, shall be equally bound by the whole conditions and prestations of this contract, and by all future regulations to be made by the Company thereanent, as if these presents had been subscribed by himself in his own person ; and further, in regard that by reason of the length of this deed, and the great number of subscriptions to be adhibited hereto, it is impossible to procure one sheet of parchment or paper to contain the whole of this contract, together with the said subscriptions thereto, it therefore becomes necessary, that various sheets shall be joined together, and in regard it is equally impossible to leave sufficient room for all Partners to subscribe the joinings of the said several sheets upon which these presents are engrossed, it is therefore agreed, by the whole parties contracting and hereunto subscribing, that the before named and designed

three of their number, whom failing,
any other two of the Partners to be appointed by
the Ordinary Directors for the time, shall be au-

41

thorised, and they are hereby authorised accordingly, to sign the joinings of said sheets, and of those on which the testing clause and subscriptions may yet be written on the margin, which is hereby declared shall be equally binding, valid, and sufficient, as if the same had been signed by all and each of the parties hereunto, any law or practice to the contrary notwithstanding.

- AND LASTLY.—The whole parties subscribing consent to the registration hereof, and of the several powers of attorney alluded to in the course hereof, in the books of Council and Session, or others competent, therein to remain for preservation; and if necessary, that all executions pass against them, and their means and estate, and against the means and estates of the companies and corporations who are parties hereto, and that on a charge of six days, in common form; and for that purpose they constitute

Their Procurators, &c.

In witness whereof, &c.

APPENDIX,

1844.

The following ALTERATIONS in the COMPANY'S
CONTRACT have been made since the Estab-
lishment of the Bank, at General Meetings,
held on the respective dates specified:—

That every Partner offering shares for sale to the May 10, 1832.
Company, must state in said offer the name of the
intending purchaser, and allow the Directors, if neces-
sary, six lawful days for accepting or rejecting said
offer.

That in future no person shall be eligible to fill
the situation of Chairman, Deputy-Chairman, Extra-
ordinary Director, or Ordinary Director, of this Bank,
who professionally acts as factor or trustee on bank-
rupt estates, or is connected directly or indirectly
in partnership with any person who does so act.

That the Books of the Company shall be balanced May 9, 1823.
upon the 20th day of April, annually, if a lawful day,
or if not, then upon the first lawful day immediately
preceding, in place of the first day of May, as stated
in the Thirty-seventh Section of the Contract.

2

That no Partner shall be eligible to fill the offices of Chairman, Deputy-Chairman, Extraordinary Director, or Ordinary Director, who is engaged, or is connected by partnership, or who has any direct interest with an individual, or individuals, in carrying on the business of Stockbroker or dealer in Bank Stock.

May 8, 1834. That, as advances are sometimes applied for in circumstances where a bond, in terms of the Twenty-fifth Clause of the Contract, cannot be obtained—as, for example, in the case of public companies, commissioners, trustees, or such like—the Directors are hereby authorised to grant credits in such cases without a bond, notwithstanding the clause above referred to, when the security shall appear to them satisfactory. Provided that in case any two of the Directors shall object to any credit or advance being thus given, or shall desire that any such, if given, shall be withdrawn, then the same shall forthwith be refused or withdrawn, as the case may be.

May 12, 1836. That the following alterations be made in the Contract of Copartnery :—

“ Clause 20.” That it shall be in the power of the Board of Directors, when they shall see fit, to reduce the amounts of security required from officers of the Company who may be appointed in future, as follows—

The security from the Manager to £8000; from the Cashier, if these two offices shall be separated, to £6000; from the Secretary to £2000. The Manager, Cashier, Secretary, and Accountant, still to be bound to hold the number of Shares of Stock specified in the Contract.

"Clause 25." That the restriction on granting credits on cash accounts to persons not being Partners shall be altered thus—

In the sixth line of page 21 (of the printed copy) the words "*on bond*" to be cancelled, the clause will then stand thus, "But to no other person or persons, unless with security, real or personal, to their satisfaction; and, if such cash credits are granted on personal bond, there shall at least be two securities," &c. As a further guarantee against credit accounts being granted improvidently, it is proposed to make the following supplement to this clause—
 "Providing always that notwithstanding the general rule in clause 18th, that all questions and matters shall be decided and determined by the majority of Directors present; if any application for a credit, or cash account which has been already granted, shall be objected to on the ground of the insufficiency of the security, by any two of the Directors, the same shall be withheld or recalled as the case may be."

That the Capital Stock of the Company be increased May 9, 1839, from Two Millions to Two-and-a-half Millions sterling, by the creation of 2000 additional Shares of Stock, of £250 each, in terms of the Contract of Copartnery.

As this Company since its establishment in the year May 11, 1816, 1830 has not only very much increased in the extent of its business, but has likewise changed considerably in the character and prospect of its affairs, in particular, from the assumption of the business of the Thistle Bank of Glasgow, and of the Paisley Union Bank,

4

and by its junction with Sir William Forbes, James Hunter & Company; it is expedient to make certain alterations on its constitution as fixed in the Contract of Copartnery, in order to adapt it more perfectly to the existing circumstances and prospects of the business, and that instead of a Local Banking Company in the City of Glasgow, as originally contemplated, this Company shall henceforth be of a more comprehensive character,—

I. It is therefore proposed, as authorised by the Forty-fourth Article of the existing Contract of Copartnery, That the following alterations, variations and modifications be made in the existing Contract, and on the Articles thereof after specified.

See Preamble
and Article I.
of Contract.

(1.) THAT the first Article of the Contract of Copartnery shall be altered, and that the Company shall be called and known by the name of the UNION BANK OF SCOTLAND, from and after the first day of July next, having two principal or Head Offices at Glasgow and Edinburgh respectively.

Article 3.

(2.) THAT the Capital Stock of the Company shall be One Million Pounds sterling, divided into ten thousand shares of One Hundred Pounds each, (of which Fifty Pounds per share have been paid up,) and which Capital Stock may be increased or enlarged in manner provided by the Contract of Copartnery; and that to this extent the Third Article of the Contract, and the resolution of the General Meeting, of date 9th May, 1839, shall be altered.

Article 5 & 19.

(3.) THAT the Company be authorised to acquire and purchase heritable property, not only "for the accommodation of the Bank in the carrying on of

"their business." but also in cases where it may be thought necessary or expedient with a view to the payment or security of any existing debt, and that the Committee of Management or Directors, be authorised and empowered to contract for, purchase and sell again, such heritable property; and that the Fifth and Nineteenth Articles of the Contract be varied accordingly.

(4.) THAT all General and Special General Meetings may be held either in Glasgow or Edinburgh, except the Annual General Meeting in May, which shall continue to be held in Glasgow; and that it shall be lawful to hold General Meetings, either half-yearly, or as often as may be considered expedient by any five of the Ordinary Directors, and who shall have power to require the Secretary to call such General Meetings, on giving twenty days previous notice, at the least, by public advertisement, mentioning the day, place, and hour of Meeting, in two or more of the newspapers usually published in Glasgow and Edinburgh respectively; and that the proceedings at such General Meetings shall be governed by the Rules and Regulations in the Contract as to other General Meetings; and that the Sixth Clause in the Contract shall be varied accordingly.

(5.) THAT the General Committee of Management or Board of Ordinary Directors shall henceforth consist of twelve Partners instead of ten, and that to this extent the Thirteenth Clause in the Contract shall be altered.

(6.) THAT of the twelve Ordinary Directors six shall, with the exception herein mentioned, be resident in or within ten miles of Glasgow, and six, in or within

the same distance of Edinburgh, and that to this extent the Sixteenth Article in the Contract shall be altered.

Article 15.

(7.) THAT the General Committee of Management or Board of Directors shall be authorised and empowered to appoint, from their number, six of the Directors who are resident in or near Glasgow, and six of the Directors who are resident in or near Edinburgh, as Committees of Directors for Glasgow and Edinburgh, respectively, and delegate to them from time to time all or such powers vested in themselves by the Contract, as they may deem expedient, and that the proceedings of the said Committees shall be reported to the General Board for approval. That three be a quorum of the Glasgow and Edinburgh Committees of Directors, and that the Manager in Glasgow shall be a Member (*ex officio*) of both Committees. That the Manager at Edinburgh shall be eligible as one of the Ordinary Directors, and shall be re-eligible to the office of Director as often as the period for which he was elected Director shall expire. That George Forbes, David Anderson, Sir Adam Hay, and Charles Forbes, being the acting partners of the late firm of Sir William Forbes, James Hunter & Company, shall be re-eligible as Directors so long as they continue to hold the requisite amount of stock. That, after the appointment of a Manager for Edinburgh, two Directors shall retire each year, one from the six resident in or near Glasgow, and one from the six resident in or near Edinburgh; but for the first three years the retirement of two Directors shall be wholly from the Directors upon the Glasgow list, they being the senior Directors in office, and that the Fifteenth Article in the Contract be varied accordingly.

7

(8.) THAT the said George Forbes, David Anderson, Sir Adam Hay, and Charles Forbes, whom, it is proposed to appoint the first Edinburgh Directors, having undertaken to give such attendance as to render unnecessary the appointment of an Edinburgh Manager for the present, the Edinburgh Committee of Directors shall, in the meantime, consist of only four Directors, two of whom shall be a quorum, making, with eight Glasgow Directors, the full number of twelve as before provided, and this arrangement may be continued so long as the said parties undertake the Edinburgh Management. That the following gentlemen shall be named as the Board of Ordinary Directors for the ensuing year, and that they shall be arranged in two lists, viz.:—

MESSRS. JOHN LEADBETTER.
 ELIAS GIBB.
 WILLIAM BALFOUR.
 ROBERT DOUGLAS ALSTON.
 WILLIAM McLAREN.
 MATTHEW PEARCE.
 JAMES BROWNE.
 ALEXANDER DRYSDALE.
 GEORGE FORBES.
 DAVID ANDERSON.
 SIR ADAM HAY.
 CHARLES FORBES.

(9.) THAT any partner elected by the General Committee of Management to supply a vacancy, occurring among the Ordinary Directors, during the year, from death, resignation or disqualification, shall occupy the place in the Board which had been held by his predecessor, but that if the period of his retiring shall occur within two years after his appointment,

8

he shall be re-eligible to the office of Director, and that the Seventeenth Clause in the Contract shall be varied accordingly.

Article 18.

(10.) THAT the Glasgow and Edinburgh Committees of Directors for the time being shall respectively meet at the Company's Board Rooms, or any other place or places in Glasgow and Edinburgh, at least once a-week throughout the year; and the General Committee of Management or Board of Ordinary Directors shall also meet either in Glasgow or Edinburgh, at least once a-month, or as much oftener as may be necessary to superintend the business of the Company, and that to this extent the Eighteenth Clause in the Contract shall be varied.

Article 20.

(11.) THAT the amount of Security to be required from each Teller shall not be less than £1500, and that the Twentieth Clause in the Contract shall be varied accordingly.

Article 25.

(12.) THAT the restrictions contained in the Twenty-fifth Article of the Contract, as to advances or cash accounts, shall be varied as follows, "but to no other person or persons, unless with security real or personal, to their satisfaction, *except for temporary overdrafts sanctioned by a Committee of Direction.*"

Article 27.

(13.) THAT, notwithstanding the provisions contained in the Twenty-seventh Article in the Contract, it shall be in the power of the General Board, if they see it expedient, to authorise the Committees of Directors at Glasgow or Edinburgh, to sanction Transfers of Stock without delay.

9

(14.) THAT the Thirty-fifth Article shall be varied Article 35.
as follows--after the words "Manager or Cashier,"
on the seventh line, and after the word "Manager"
on the ninth line, the words "at Glasgow or Edin-
burgh" shall be added; and in that part of the
Article which provides that Bonds and other Deeds
of importance "shall be taken to and in name of the
"Manager and Cashier," there shall be substituted for
the words "their successors in office, respectively,"
the words, "the survivor of them and the heir of the
"survivor."

(15.) THAT all Disputes, Controversies, and Differ- Article 40.
ences, if any, shall be submitted and referred to two
arbiters, chosen one by each party, with power to
them to choose an umpire; and that to this extent the
provisions in the Fortieth Article in the Contract, as
to the nomination of arbiters, shall be altered.

II. THAT, in order to facilitate Transfer of Stock,
the fees for recording shall be reduced to two shillings
and sixpence for each transfer.

That in fulfilment of an agreement for a Junction Nov. 3, 1843.
between this Company and the Glasgow and Ship
Bank, the general terms of which have been already
arranged, the Capital of the Company be now in-
creased from one to two millions sterling, one half to
be paid up; and that this be effected by the creation
of 10,000 new Shares, to be assigned to the partners
of the Glasgow and Ship Bank, in substitution of,
and in proportion to, the Shares presently held by
them in that Bank. And that the Meeting, having

confidence in the prudence of the Directors, authorise them to take any further measures that may be requisite for carrying the Junction into effect.

2th May, 1851.

Article 20.

1. In future all Transfers of Stock shall be retained by the Officer of the Company appointed to keep the Stock Register, except in the cases after-mentioned, and a Certificate of Proprietorship, under his hand, shall be issued to the Holder of such Stock.

Article 20.

2. In case of any party acquiring right to Stock otherwise than by a Deed of Assignment limited to that object, or by Testament, Decree-Dative, or other recorded Title, the party so acquiring right, on presentation of the Title by which he holds, or an extract thereof, and on leaving with the Officer of the Company a certified copy of that part of it having reference to said Stock, shall be registered as a Partner of the Company in respect of the Stock so held; a Certificate being granted accordingly.

Article 22.

3. It shall not in future be requisite to state in any such Transfer, or in the Register thereof, on Certificate following thereon, or in the Stock Ledger, the proper Numbers by which Shares are distinguished; but only the Number of Shares transferred to, or held by Partners, and the amount thereof.

Article 25.

4. No Transfer of Stock shall be admitted into the Company's Register during the fourteen days previous to the periods fixed for payment of the Dividends. It was farther resolved and enacted, that the existing Regulations of the Contract of Copartnery, in so far as different from those before expressed, shall be, and the same are hereby abrogated; and that these altered Regulations shall be henceforth acted upon.

11

That the provision in Article 16 of the Company's ^{12th May, 1853.} Contract "that no person shall be qualified to be ^{Article 16, and} "elected or to serve as a Director who shall perma- ^{Appendix page} 5. nently reside at a greater distance than ten miles "from Glasgow," and that the alteration of that provision adopted at the Annual Meeting of partners held on 11th May, 1843, whereby it was declared that of the twelve Ordinary Directors six shall, with the exception therein mentioned, be resident in or within ten miles of Glasgow, and six in or within the same distance of Edinburgh, be, and the same are hereby, rescinded.

1. That in place of Balancing the Books of the ^{10th May, 1850.} Company upon the 20th day of April, as provided for ^{Article 27, and} by the Contract, the Books shall in future be Balanced ^{Appendix 3.} upon the 2d day of April annually, if a lawful day, or if not a lawful day, then upon the first lawful day immediately preceding.

2. That no Transfer of Stock shall be received or entered into the Books of the Company from the 12th day of April until after the Annual General Meeting.

3. That the provisions of the Company's Contract, so far as inconsistent with the foregoing, be, and the same are hereby, altered.

1. That in all documents wherein the Bank falls to ^{8th May, 1862.} be mentioned, the name or title, "The Union ^{The name of the} Bank of Scotland," only shall be used. ^{Contract of} ^{1862.}

2. That the Capital of the Company be fixed at ^{Article 1 and} one million sterling, being the amount now paid up; ^{2. do.} that it shall henceforth cease to be divided into shares, ^{Article 3, do.} and be declared to be, and be held and be transferable as Stock, and wherever in the Contract the term "Share" or "Shares" is used, the same shall in future be held to mean "Stock," but declaring that no fractional part of one pound shall be held or transferred.

3. That the form of Transfer shall be altered in conformity with the above resolution, and shall hereafter be in the following terms, as nearly as circumstances will permit:—"I, A B., in consideration " of paid to me, do hereby sell, assign,

"convey, transfer, and make over to, and in favour
 "of C D, the sum of capital stock of and
 "in the Union Bank of Scotland, to be held by the said
 "C D, his executors, administrators, and assignees.
 "And I, the said C D, do hereby take and accept the
 "said Capital Stock, and become a Partner of said
 "Bank, and bind and oblige myself, as such, to imple-
 "ment, perform, and fulfil the whole obligations and
 "conditions, rules and regulations, contained in the
 "Bank's Contract of Copartnery, which are here
 "held as repeated *brevitatis causa*. And we con-
 "sent to registration for preservation and execution."

Article 11. 4. That instead of the scale of qualification for
 votes according to shares held, as specified in Article
 11, the following shall be substituted, viz. :—" Every
 "partner holding £100 of stock shall have one vote,
 "£500 of stock two votes, £1,000 of stock three
 "votes, and one vote additional for each £1,000 of
 "stock held over and above the first £1,000."

Article 28, &c. 5. That the several officers and others, holding
 responsible situations in the Bank, at its Head Offices
 or Branches, shall find such amount of caution, and of
 such kind or nature, as the Directors may fix and
 determine in each particular case, and with or without
 stock of the Company being held as part thereof or in
 addition thereto.

Articles 28 and 29. 6. That in those cases where it is provided that
 the Directors may take over stock for behoof of the
 Company, at the value put upon it in the minutes of
 the meeting for decqueting the last Annual Balance
 of the Company's affairs, they shall in future be
 entitled to take over such stock at its market value or
 price as appearing from the Brokers' Share List
 of the day on which the cases of bankruptcy, arrest-
 ment, or death, referred to in said articles, shall have
 occurred.

Article 34. 7. That the forms of decqueting the accounts of
 persons transacting with the Bank, and direction
 thereon prescribed in Article 34, be used and
 applied only in cases when such accounts are to be
 finally settled, or the vouchers delivered up; or any

13

forms considered more suitable by the Directors may be used in place thereof.

8. That wherever in the Contract the term "Cashier" occurs, there be added, "or other officer or officers of the Company, duly authorized by a minute of the Directors;" and it shall not be necessary that such officers hold a power of attorney from the Manager, as provided in Art. 35; and all deeds or writings taken to any officer or officers of the Company, for the Company's behoof, shall be so taken to him or them, "and the survivor or his or their successor or successors in office," instead of "to the heirs of the survivor."

9. That assignations or Transfers of stock be admitted and entered in the Books of the Company at all times, except during the 14 days previous to the periods fixed for payment of the Dividends. Article 37.

10. That the Second Article of the Appendix, rendering ineligible for the Direction any person who acts professionally as a Factor or Trustee on Bankrupt Estates, or is connected in partnership with any person who does so, be cancelled. Appendix, Article 2.

11. That the provisions of the Company's Contract, so far as inconsistent with or superseded by the foregoing resolutions, be, and the same are hereby altered and cancelled in correspondence with said resolutions.

That it is expedient that the Bank register itself as an unlimited Company, under the "Companies Act, 1862;" and that the Meeting do now assent to the Bank being so registered accordingly, and authorize the Directors to take all necessary steps for carrying this resolution into effect at the earliest period competent under the Act. 14th Sept., 1862.

RESOLVED—That in respect of the Incorporation of the Bank, and pursuant to the powers conferred on the Board of Directors by the Contract of Co-partnery, all Bills and Promissory Notes (other than Bank Notes), and all indorsations thereof, and all Receipts, shall be taken to or given by the Bank in their Cor- 14th May, 1863. Articles 35 and 39 of Contract.

14

Articles 21 and 44 of Contract. corporate name of "The Union Bank of Scotland;" and shall, where necessary, be signed on behalf of the Bank by any of their Managers, or Cashiers, or Secretaries, at the Head Offices in Glasgow or Edinburgh, or by any other officer or officers of the Bank duly authorized: Further, that all Bonds and Dispositions, heritable and moveable, and other writings and Contracts, Title Deeds and Securities, shall henceforth be taken to and in name of "The Union Bank of Scotland, incorporated under Act of Parliament;" and that all Bonds, Dispositions, Submissions, and other Deeds and Contracts to be executed by the Bank shall be executed under their Common Seal, and be signed in name and on behalf of the Bank by either of the Managers, or the Cashier, or the Secretary for the time being, at the Head Office of the Bank in Glasgow, who are hereby authorized to subscribe accordingly.

15th May, 1862. RESOLVED—That the Board of Ordinary Directors shall henceforth consist of ten Partners and the Manager of the Bank for the time being, or failing him, or in his absence, such other officer of the Bank as the Directors may name; and that five Directors shall be a quorum of the Board: That two of the Directors, other than the Manager or the said other officer, shall go out of office by rotation at each Annual Meeting, and, except as after provided, shall not again be eligible as Directors before the next Annual Meeting: That the Manager at Edinburgh, and the Counsel and Law Agents from time to time employed on behalf of the Bank, shall be eligible as Ordinary Directors; and that such Manager, and the surviving partner of the late firm of SIR WILLIAM FORBES, JAMES HUNTER, & COMPANY, shall be re-eligible to the office of Director at the expiry of the period for which they may be respectively elected: That the Board be authorized and empowered to appoint Committees of Directors for Glasgow and Edinburgh respectively, each consisting of not less than four Directors,—the Manager, or failing him, or in his absence, the said other officer, being *ex officio* a member of both Committees; to fix the quorum of the said Committees; and to delegate

Article 15, and
Resolutions of
11th May, 1843.

to them, from time to time, all or such powers vested in themselves as they may deem expedient; and that the proceedings of the said Committees be reported to the Board for approval: That it shall be in the power of the Board to appoint Extraordinary Directors or not, as to them may seem expedient; and that the Bank's Contract of Co-partnery, and any subsequent alterations thereon, be altered and modified, in so far as necessary, to give effect to this resolution.

RESOLVED—(1.) That from and after the second Thursday of May, in the year 1874, the stated General Meeting of the Company, shall be held in Glasgow annually on the fourth Wednesday of April, being a lawful day, and if not, on the next lawful day thereafter; and that, to this extent, the Sixth Clause of the Contract of Co-partnery be altered.

(2.) That the Bank, without prejudice to their existing powers of investment, may make investments in the Public Funds, Stocks, Shares, Debentures, or Mortgages, of the Government of India, or of any British Colony, or of the United States of America; and in any Funds, Stocks, Shares, Debentures, or Mortgages guaranteed by any such Government; and may purchase, acquire, and dispose of Real Estate in any parts of the United Kingdom, or may lend on security of such Real Estate.

(3.) The Directors retiring by rotation shall be eligible for re-election without having been a year out of office; and that the Bank's Contract of Co-partnery, and any subsequent alterations thereon, be altered and modified in so far as necessary to give effect to this resolution.

RESOLVED—(1.) The Bank may carry on the business of Banking in any part of the United Kingdom, and the powers of the Directors are hereby extended to such business accordingly.

(2.) The Bank's Contract of Co-partnership may from time to time be altered, varied, or modified, by

a resolution passed at any Annual or Special General Meeting of the Company, and confirmed at a subsequent Annual or Special General Meeting, held not less than fourteen days, nor more than twenty-eight days, thereafter.

21th April, 1878.

Chief Officer to
be designated
General
Manager.

WHEREAS the term "The Manager," used throughout the Contract of Co-partnership, is intended to apply to the Chief Officer of the Bank, and whereas the term has come to be used to designate other Officers of the Bank as well: The Chief Officer of the Bank shall hereafter be styled "The General Manager;" and the expression "The Manager," used in the Contract of Co-partnership, and in any Resolutions that have been passed altering or amending the same, shall be held to apply to the General Manager, and to him only.

Appointment
of Auditors.
21st May, 1879.

RESOLVED, That two Auditors be appointed by the Bank at each stated Annual General Meeting, for the purpose of examining and reporting upon the Abstract State of Affairs to be submitted to the succeeding Annual General Meeting, and in the event of any casual vacancy occurring in the office of Auditor through death, resignation, absence, or any other cause, it shall be filled up by the Chairman, or failing him, the Deputy Chairman of the Bank, by whom also the remuneration of the Auditors to be appointed as aforesaid shall be fixed.

12th Jan. 1882.

Article 3.
Resolutions of
5th May, 1839.
11th May, 1843.
5th Nov., 1843.
8th May, 1862.

1.—That the Capital Stock of the Bank, being One Million Pounds, fully paid, be converted into 100,000 Shares of £10 each, fully paid, every Proprietor being entitled to One Share for every £10 of Stock.

Article 16.

2.—That, consequent on the above, the qualification of the Chairman, Deputy-Chairman, and Directors, be the possession of 100 Shares at least; and further, that the Scale of Voting by the Partners of the Bank be as follows:—

17

For 10 Shares, - - 1 Vote.
 For 50 Shares, - - 2 Votes.
 For 100 Shares, - - 3 Votes.

Article 11.
 Resolutions of
 5th May, 1902.

And for every complete number of
 100 Shares over and above the
 first 100 Shares, - - 1 Vote.

3.—That the Bank's Contract of Copartnership, and the alterations thereon, be altered and modified in so far as necessary to give effect to the foregoing Resolutions.

1.—That, pursuant and subject to the provisions of the Companies Acts, 1862 to 1880, it is expedient that the Union Bank of Scotland, being a Bank of issue, be registered under the said Acts as a Limited Company, under the name of The Union Bank of Scotland, Limited; and this Meeting hereby assents and resolves that the Bank be so registered accordingly.

2nd Feb. 1887.
 Narrative of
 Contract and
 Article 1.
 Resolutions of
 11th May, 1913.
 5th May, 1902.

2.—That, for the purpose of such Registration, or otherwise, the nominal amount of the Capital of the Bank being One Million Pounds, represented by 100,000 Shares of £10 each, fully paid up, be increased to Five Million Pounds by the nominal amount of each of its Shares of £10 being increased to £50; provided always that no part of such increased Capital shall be capable of being called up, except in the event of and for the purposes of the Bank being wound up.

Articles
 Resolutions of
 5th May, 1887.
 11th May, 1913.
 5th May, 1902.
 12th Jan. 1912.

3.—That the Directors be empowered and instructed to carry the said Registration into effect, on such early date as they may determine to be most expedient and convenient.

APPENDIX III.A.*BALANCE SHEET, 12 MAY 1831Liabilities

Stock	£281,962
Deposit accounts	174,280
Interest receipts	53,305
Bills lodged for collection	2,680
Notes issued	178,000
Greenock agency	44,588
Unpaid accounts	114
Contingent account for loss by protested bills	1,344
Adjusting account	3,751
Profit and loss account	8,780
	<hr/>
	£748,804

Assets

Credit accounts	£27,348
Investments in the government funds	22,280
Purchases of the Company's stock	6,014
Property in Greenock belonging to the Bank	60
Bills discounted	364,317
do. of exchange	54,308
do. received from agencies for collection	22,142
do. protested	3,153
Edinburgh agency	125,340
John Marshall	3,144
Manchester & Liverpool District Bank	1,015
Jones Loyd & Company	37,797
Bank of Ireland	654
Country agents accounts	13,134
Bank furniture	463
Agency do.	436
Stamps	709
Bank note paper	3,991
Provincial Bank of Ireland	924
Balance of cash in safe	61,575
	<hr/>
	£748,804

*Source: U.B.M., 12/5/1831.

APPENDIX III.B.*BALANCE SHEET, 13 MAY 1858Liabilities

Capital paid up	£1,000,000
Rest, or undivided profit	200,000
Deposits/including balances at credit of banking correspondents/and notes in circulation	7,529,326
Appropriation of the year's profits as stated in the report	98,224
	<hr/>
	£8,827,550

Assets

Bills of exchange, local and country bills	£3,277,997
Cash credits	3,858,501
Bank offices at Glasgow, Edinburgh and Branches	142,818
Consols and other government stocks and railway debentures	982,548
Gold and silver coin, and cash balance at call in hands of London bankers	565,686
	<hr/>
	£8,827,550

*Source: U.B. Annual Report, 13/5/1858.

APPENDIX III.C.*BALANCE SHEET, 11 MAY 1865Liabilities

Current accounts, deposit accounts, balances due to banking correspondents &c.	£7,771,887
Acceptances by London agents and marginal credits	231,023
Note circulation	579,299
Capital paid up	1,000,000
Rest, or surplus profit	109,368
Profit and loss account	143,028
	<hr/>
	£9,834,605

Assets

Bills of exchange, local and country bills, cash credits and other advances on securities	£7,507,748
Bank offices at Glasgow, Edinburgh and branches	172,482
Consols and government securities	1,041,024
Other securities and investments	270,625
Gold and silver coin, and notes of other banks, cash balances in hands of London and country bankers	842,726
	<hr/>
	£9,834,605

Source: U.B. Annual Report, 11/5/1865.

APPENDIX III.D.*BALANCE SHEETS, 1866-1885 (Millions of £)Liabilities

	<u>Deposits</u>	<u>Notes</u>	<u>Other Public</u> <u>Liabilities</u>	<u>Capital</u>	<u>Reserve</u>	<u>Total</u> <u>Liabilities</u>
1866	8.30	0.68	0.34	1.00	0.30	10.63
67	8.46	0.74	0.15	1.00	0.37	10.73
68	8.10	0.73	0.25	1.00	0.39	10.47
69	8.52	0.81	0.38	1.00	0.41	11.12
70	8.20	0.62	0.25	1.00	0.43	10.50
71	8.04	0.69	0.18	1.00	0.44	10.36
72	8.72	0.88	0.33	1.00	0.46	11.39
73	9.58	0.95	0.45	1.00	0.54	12.51
74	9.54	0.89	0.28	1.00	0.55	12.26
75	9.69	0.78	0.35	1.00	0.55	12.36
76	9.64	0.75	0.43	1.00	0.56	12.38
77	9.67	0.84	0.39	1.00	0.45	12.35
78	8.96	0.79	0.40	1.00	0.47	11.62
79	8.57	0.76	0.23	1.00	0.47	11.03
80	9.59	0.77	0.29	1.00	0.47	12.12
81	10.15	0.72	0.22	1.00	0.48	12.57
82	10.68	0.74	0.33	1.00	0.49	13.25
83	10.94	0.83	0.17	1.00	0.51	13.45
84	10.77	0.80	0.22	1.00	0.53	13.32
85	10.76	0.78	0.15	1.00	0.52	13.21

Note: The actual balance sheets of the Union Bank of Scotland are lack of consistency even in the period of their publication, i.e., the post 1865 period. For this reason, we use here the following source.

*Source: S.G. Checkland and A.B. MacDonald, 1973.

APPENDIX IV.A.LIST OF SHAREHOLDERS, 1830*

1. Matthew Dick, of Dalglish, Dick & Co.
2. Robert Wallace, Writing master, Glasgow.
3. Malcolm Muir, Hutchisontown, Glasgow.
4. John Walker, Cabinet maker, Hutchisontown.
5. James Hamilton, tobacconist, Glasgow.
6. John Cunningham, bleacher, Arthurlie, Ardston.
7. James L. Spencer, Jeweller, Glasgow.
8. W. & R. Morrison, merchants, Stornoway.
9. "
10. James Gray, confectioner, Princess Street, Glasgow.
11. Robert Ferguson, merchant, Glasgow.
12. George Kilpatrick, merchant, Glasgow.
13. William Lawson, grocer, Trongate.
14. William Dick, St. Andrews St., Glasgow.
15. Adam Bald, merchant, Glasgow.
16. John Ronald, St. Andrews St., Glasgow.
17. Robert Lindsay, merchant, Glasgow.
18. John Williamson, grocer, Trongate.
19. John Anderson, Junior, Trongate.
20. A.C. Whyte, tea merchant, Glasgow.
21. William Thomson, Glasgow.
22. Henry Campbell, of Campbell & Howie, Glasgow.
23. William Inglis, Kirkintilloch.
24. William Smeal, tea dealer, Glasgow.
25. Alexander McArthur, merchant, Glasgow.
26. William Watson, clothier, Glasgow.
27. J. Hunter, High St., Edinburgh.
28. Alexander McDowall, writer, Glasgow.
29. William Balfour, merchant, Glasgow.
30. Thomas Sutherland, Edinburgh.
31. H.A. Galbraith, Lunatic Asylum, Glasgow.
32. William Hamilton, merchant, Glasgow.
33. C. McGregor, Brunswick Place, Glasgow.
34. James McAulay, Brunswick Street, Glasgow.

*Source: U.B.M., 2/2/1830.

35. Matthew Thomson, bit maker, Calton.
36. Thomas Gray, builder, Glasgow.
37. John Agnew, surgeon, Tradeston.
38. Robert McHaffie, merchant, Glasgow.
39. James Howie, of Campbell & Howie, Glasgow.
40. Daniel McFarlane, oil merchant, Glasgow.
41. William Lawson, Salt Market, Glasgow.
42. James Broom, Brunswick St., Glasgow.
43. Charles Ingram, 13 Nelson St., Glasgow.
44. Alexander Mitchell, Apathcanes Hall, Glasgow.
45. John Lockhart, 1 Argyll St., Glasgow.
46. James Cowan, distiller, Fintry.
47. John Alexander, grocer, Glasgow.
48. John McEwan, of Wm. McEwan, Sons & Co.
49. James Storer, painter, Glasgow.
50. William Cumming, M.D., Glasgow.
51. Andrew Marshall, minister, Kirkintilloch.
52. John Anderson, 14 South Hanover St., Glasgow.
53. Douglas McFie, merchant, Glasgow.
54. James Cleland, of Ravenshall, Holytown.
55. John O'Neil, Salt Market St., Glasgow.
56. William Watson, farmer, Ayr.
57. James Miloin, dyer, Glasgow.
58. Allan Cameron, merchant, Glasgow.
59. John McHaffie, merchant, Glasgow.
60. Isabella Miller, High St., Glasgow.
61. Matthew Gibson, spirit dealer, Nelson St., Glasgow.
62. Thomas Beggs, watch maker, High St., Glasgow.
63. M. Brownlie, merchant, Greenock.
64. Robert Gray, engraver, Glasgow.
65. John Pender, surgeon, Duntocher.
66. Thomas McGibbon, grocer, Salt Market, Glasgow.
67. Andrew Kinross, grocer, Calton.
68. R. & P. Stirling, grocers, Glasgow.
69. "
70. William Allan, 55 Trongate, Glasgow.
71. George Caldwell, baker, Clyde Terrace, Glasgow.
72. Peter Hornal, spirit dealer, Hutchisontown.

73. Duncan McKinlay, 425 Argyll St., Glasgow.
74. Auley McKinlay, High Street, Glasgow.
75. Alexander Inglis, merchant, Glasgow.
76. James Fleming, cheese dealer, Darvel.
77. Duncan McGregor, Kings Cross Inn, Glasgow.
78. William Forest, merchant, Glasgow.
79. Alexander Ross, spirit dealer, Glasgow.
80. William Armond, merchant, Strathaven.
81. James Lumsden, merchant, Glasgow.
82. Peter Munn, vintner, Glasgow.
83. John Wilkie, writer, Glasgow.
84. John Speirs, Junior, surgeon, Greenock.
85. Andrew Symington, merchant, Dunlop St., Glasgow.
86. Robert Burns, Nicolson St., Edinburgh.
87. John Williamson, teacher, Parkhead.
88. James Coughland, merchant, Glasgow.
89. Patrick Black, tailor, Salt Market, Glasgow.
90. Charles Bryson, 31 Trongate, Glasgow.
91. Joseph Swan, engraver, Glasgow.
92. James Fraser, of Fraser & Sinclair, Glasgow.
93. D. Smith, Junior, shoemaker, Salt Market, Glasgow.
94. James Turner, tobacconist, Glasgow.
95. James Balderston, baker, Glasgow.
96. Frederick Schultze, Sugar House, Leith.
97. Alexander Menzies, Old Post Office Crt., Glasgow.
98. William Craig, manufacturer, Glasgow.
99. Allan Fullarton, of Lungland, Glasgow.
100. William Hamilton, writer, High St., Glasgow.
101. Patrick Newland, merchant, Glasgow.
102. Thomas Binnie, builder, Glasgow.
103. Stirling Campbell, Johnston.
104. Robert Gibson, Johnston.
105. John Tassie, Jamaica St., Glasgow.
106. Alexander McEwan, Glasgow.
107. William Mitchell, Edinburgh.
108. David Wemyss, Edinburgh.
109. John Keith, auctioneer, Glasgow.
110. J.R. Sibbald, M.D., Edinburgh.

- 111. Alexander Allan, King St., Glasgow.
- 112. William Allan & Son, Glasgow.
- 113. "
- 114. Thomas Gray, surgeon, Glasgow.
- 115. James Gould, merchant, High St., Glasgow.
- 116. James Vallance, cheese dealer, Strathaven.
- 117. Andrew Paton, merchant, Glasgow.
- 118. James Dunlop, victualler, Hutchisontown.
- 119. William McLeod, manufacturer, Glasgow.
- 120. Robert Urquhart, merchant, Glasgow.
- 121. John Cassels, wine merchant, Glasgow.
- 122. John Tennent, merchant, Strathaven.
- 123. William Rankin, merchant, Glasgow.
- 124. James Wilson, merchant, Renfrew.
- 125. John Neilson, 663 Gallowgate, Glasgow.
- 126. George Cairns, Douglas St., Glasgow.
- 127. Patrick Miller, Croy Place, Glasgow.
- 128. James Brown, seedsman, Glasgow.
- 129. Sharp & Buchanan, calico printers, Candleriggs.
- 130. "
- 131. James Porter, coal merchant, Glasgow.
- 132. W. & A. Mitchell, grocers, High St., Glasgow.
- 133. "
- 134. George Bain, merchant, Glasgow.
- 135. Alexander Murdoch, coachman, Kilmarnock.
- 136. Thomas Mitchell, tobacconist, Glasgow.
- 137. Archibald Newall, merchant, Glasgow.
- 138. Hector Russell, St. Andrews Sq., Glasgow.
- 139. Alexander Murdoch, C. Campbell & Co.
- 140. William Roxburgh, inn keeper, Glasgow.
- 141. James Lightbody, spirit dealer, Glasgow.
- 142. James Young, Tontine Closs, Glasgow.
- 143. James Glen, grocer, Gallowgate.
- 144. William Dickson, baker, Rutherglen.
- 145. Benjamin Gray, boatmaker, Glasgow.
- 146. John Stewart, Sandyhills, Glasgow.
- 147. James Dalzell, Bothwell.
- 148. John Bain, merchant, Glasgow.

149. Roderick Nicolson, merchant, Stornoway.
150. John Hunter, baker, Glasgow.
151. Andrew Heggie, flesher, Glasgow.
152. John McKay, St. Margarets Place, Glasgow.
153. Hugh McPherson, Trongate, Glasgow.
154. H. Currie, baker, Glasgow.
155. William Galbraith, spirit dealer, Glasgow.
156. James Storrie, merchant, Glasgow.
157. Wm. Jamieson, of Playfair & Co., manufacturer, Glasgow.
158. Robert Cooper, tobacconist, Glasgow.
159. Alexander McKay, tailor, Trongate, Glasgow.
160. John Tainsh, Trongate, Glasgow.
161. Walter Ferguson, of Ferguson & Stewart.
162. John Duncan, baker, Glasgow.
163. William Drury, surgeon, Glasgow.
164. Walter Lees, manufacturer, Glasgow.
165. William King, Kingston Cottage, Glasgow.
166. Joseph Bain, Glasgow.
167. James Inglis, Supr. of Excise, Glasgow.
168. Alexander McEwan, of Wm. McEwan & Co.
169. John Miller, Ingram Court, Glasgow.
170. John McColl, Tradeston, Glasgow.
171. David McHaffie, Overton, Glasgow.
172. John Johnstone, pocket book maker, Glasgow.
173. Robert Kerr, Hope St., Glasgow.
174. Peter Sawers, Craigingall, Neilston.
175. John Hood, glazier, Trongate, Glasgow.
176. John Wright, grocer, Green St., Calton.
177. John Gilchrist, shoemaker, Glassford St., Glasgow.
178. Frances McLusky, Margarets Place, Glasgow.
179. Peter Mitchell, spirit dealer, Glasgow.
180. James Hamilton, writer, Glasgow.
181. Hugh Brown, merchant, Virginia St., Glasgow.
182. Primrose Bell, merchant, Glasgow.
183. Donald Cook, stocking manufacturer, Glasgow.
184. William Carswell, baker, Glasgow.
185. Alexander Mitchell, Garnet Hill, Glasgow.
186. Alexander Mathieson, Drygate, Glasgow.

187. William Lochead, Junior, undertaker, Glasgow.
188. B. Gow, Govan.
189. William Richmond, of Wm. Richmond & Co.
190. William Balderston, baker, Glasgow.
191. James Buchanan, Albany Place, Glasgow.
192. Robert Horn, merchant, Glasgow.
193. Alexander Aitkenhead, victualler, Gallowgate.
194. James King, Junior, Rosemount, Gallowgate.
195. John Stewart, ironmonger, Glasgow.
196. Robert Hunter, M.D., Glasgow.
197. David Crawford, Greenaugh, Govan.
198. Walter Ewing, of Ewing & Wingate.
199. John Pearson, Junior, agent, Glasgow.
200. Isaac Baxter, confectioner, Glasgow.
201. Thos. H. Slater, grocer, Glasgow.
202. John Slater, Wilson St., Glasgow.
203. William Glass, boatmaker, Glasgow.
204. Michael McLennan, Saltmarket, Glasgow.
205. Rev. John McLaurin, Kingston Place, Glasgow.
206. Robert McCulloch, wine merchant, Glasgow.
207. George Christie, Spring Bank, Glasgow.
208. John Binnie, Builder, Glasgow.
209. James Arbuckle, Graham St., Glasgow.
210. Peter Fleming, ironmonger, Glasgow.
211. John Hamilton, tobacconist, Glasgow.
212. John Flemington, Trongate, Glasgow.
213. Peter Inglis, merchant, Glasgow.
214. Arch Sword, Glasgow.
215. William Davidson, surgeon, Glasgow.
216. James Brash, Junior, bookseller, Glasgow.
217. William Campbell, merchant, Glasgow.
218. John Hamilton, Gallowgate, Glasgow.
219. William Lochore, shoemaker, Glasgow.
220. Robert Nicol, Hutchison St., Glasgow.
221. Alexander Mitchell, Stockwell, Glasgow.
222. John Blackie, Senior, bookseller, Glasgow.
223. James Colquhoun, merchant, Glasgow.
224. Hugh Colquhoun, merchant, Glasgow.

- 225. William McEwan, of Wm. McEwan Sons & Co.
- 226. George Watson, Drygate, Glasgow.
- 227. Andrew Gray, baker, Tradestown.
- 228. Duncan Thomson, Argyll Street, Glasgow.
- 229. John McNellan, brewer, Alloa.
- 230. Roderick Currie, merchant, Strathaven.
- 231. Henry Field, tin plate worker, Glasgow.
- 232. John Currie, merchant, Glasgow.
- 233. William Gibbie, writer, Strathaven.
- 234. James Muirhead, jeweller, Glasgow.
- 235. John Maxwell, M.D., Glasgow.
- 236. Robert Cowan, manufacturer, Glasgow.
- 237. John Mitchell, grocer, Glasgow.
- 238. R. Hutcheson & Co., Glasgow.
- 239. "
- 240. William Adamson, tobacconist, Glasgow.
- 241. James Taylor, writer, Glasgow.
- 242. James Reid, agent, Glasgow.
- 243. William Murdoch, grocer, Rutherglen.
- 244. Alexander Johnston, Trongate, Glasgow.
- 245. Hugh Douglas, Carlton Place, Glasgow.
- 246. John Hutcheson, merchant, Glasgow.
- 247. George Burns, merchant, Dumbarton.
- 248. Nairn & Milroy, grocers, Bridgeton.
- 249. "
- 250. William Wallace, Kilmarnock.
- 251. William White, confectioner, Glasgow.
- 252. Patrick Cowan, writer, Ayr.
- 253. Moses Brown, seedsman, Glasgow.
- 254. John Buchanan, Great King St., Edinburgh.
- 255. John Whitehead, merchant, Glasgow.
- 256. J.B. Tod, Royal Exchange, Edinburgh.
- 257. Roderick McKenzie, W.S., Edinburgh.
- 258. Elias Gibb, wine merchant, Glasgow.
- 259. Rev. I. Sommerville, Ballgrove Place, Glasgow.
- 260. John Boyd, stationer, Glasgow.
- 261. John Reid, merchant, Glasgow.
- 262. Thomas Stevenson, Stockwell.
- 263. George Ure, Kent St., Glasgow.

- 264. John Scott, farmer, Glasgow.
- 265. John Grindlay, vintner, Glasgow.
- 266. R. Crawford, master of the Enterprise Steam Packet.
- 267. D. McLennan, Glasgow.
- 268. Robert Stewart, merchant, Glasgow.
- 269. James Menzies.
- 270. Thomas Burks, tea dealer, Glasgow.
- 271. George Smith, Junior, Glasgow.
- 272. Alexander Drysdale, merchant, Glasgow.
- 273. John Banter, Strathaven.
- 274. J. Crawford, writer, Ayr.
- 275. George Falkner, writing master, Edinburgh.
- 276. William Duncan, Edinburgh.
- 277. John Caw, goldsmith, Edinburgh.
- 278. G.O. Gordon, Edinburgh.
- 279. Alexander Wright, Edinburgh.
- 280. Alexander Anderson, Edinburgh.
- 281. George Lawrie, Edinburgh.
- 282. James Anderson, Edinburgh.
- 283. John Robertson, Edinburgh.
- 284. Wm. Glen, grass market, Edinburgh.
- 285. T.R. Robertson, W.S., Edinburgh.
- 286. Thomas Milne, currie, Edinburgh.
- 287. Thomas Kerr, Edinburgh.
- 288. David Stewart, Edinburgh.
- 289. J. Ogilvie, So. Bridge, Edinburgh.
- 290. John Rutherford, Edinburgh.
- 291. John Stewart, Edinburgh.
- 292. J.M. Dougal, Edinburgh.
- 293. J. Ramsay, Edinburgh.
- 294. J. MacIlmail, Edinburgh.
- 295. Michael Flynn, Edinburgh.
- 296. James Foulis, Edinburgh.
- 297. John Hay, agent, Edinburgh.
- 298. John Muir, Edinburgh.
- 299. David Ramage, Edinburgh.
- 300. John Adams, Tarriff.
- 301. Robert Aitken, Glasgow.
- 302. George Imlach, Edinburgh.

- 303. D. McLaren, Edinburgh.
- 304. Robert Hutton, Edinburgh.
- 305. George Sharpe, Leith.
- 306. A.M. Dick, Edinburgh.
- 307. Thomas Hewitt, Edinburgh.
- 308. Morrison & Milson, Edinburgh.
- 309. "
- 310. George Merry, Edinburgh.
- 311. George Reid, merchant, Edinburgh.
- 312. James Miller, wright, Ayr.
- 313. Hugh Miller, Ayr.
- 314. Neil McIntosh, Ayr.
- 315. John McGuan, Mauchline.
- 316. Andrew McGuan, Mauchline.
- 317. Charles Stewart, Ayr.
- 318. John Paul, writer, Ayr.
- 319. Ann Telfer, Ayr.
- 320. M. Telfer, Ayr.
- 321. James Wilson, writer, Ayr.
- 322. R. Miller, watchmaker, Edinburgh.
- 323. James Kay, Edinburgh.
- 324. William Scoon, Edinburgh.
- 325. Alex. Coussing, Edinburgh.
- 326. H. Erichton, writer, Edinburgh.
- 327. D. Cernack, Edinburgh.
- 328. Allan Flounders, writer, Dundee.
- 329. Peter Salmon, Glasgow.
- 330. Thomas Sutherland, druggist, Glasgow.
- 331. James Bain, Glasgow.
- 332. John Wilson, Glasgow.
- 333. D. McJaggart, & Co., Campbellton.
- 334. "
- 335. H. Lizars, Edinburgh.
- 336. James Stevenson, Glasgow.
- 337. Alex. Dick, Kirknewton.
- 338. James Ritchie, Stockwell, Glasgow.
- 339. Wm. Dun, Herald Office, Glasgow.
- 340. Thomas Gray, comb maker, Glasgow.

341. Frances Pott, merchant, Glasgow.
342. D. Dougherty, Glasgow.
343. Peter Sinclair, clothier, Glasgow.
344. Agnes Muir, Campsie.
345. Alex. Allan, Hutchisontown, Glasgow.
346. James Fleming, farmer, Strathaven.
347. Joseph Bains, Glasgow.
348. John Goldie, Mauchline.
349. Dugald Gray, Dunoon.
350. Harriet Brown.
351. James Cooper, Glasgow.
352. George Smith, Senior, Glasgow.
353. Margaret Pattison, Glasgow.
354. Arch. Russell, merchant, Glasgow.
355. Joseph Calder.
356. Andrew Fleming, stationer, Glasgow.
357. John Crawford, Glasgow.
358. William Duncan, Glasgow.
359. Samuel Davidson, Alloa.
360. H. London, Johnston.
361. Wm. Barry, Strathaven.
362. John Miller, Strathaven.
363. Wm. Brownlie, Strathaven.
364. Miss Kerr.
365. Peter Sinclair, Oban.
366. John Spencer, Edinburgh.
367. Wm. McGregor, Glasgow.
368. Daniel McGregor, Glasgow.
369. Wm. Mitchell Buchanan.
370. Wm. Dickson, Mauchline.
371. G. Dun, Junior, Ayr.
372. A. Bell, Ayr.
373. D. Lindsay, Mauchline.
374. John Kinloch, Ayr.
375. John Kinross, Ayr.
376. G. Dun, Senior, Ayr.
377. John Cabot, Glasgow.
378. Alex. McAuslin, Glasgow.
379. Martha Maxwell, Glasgow.

- 380. Robert Young.
- 381. John Young, Ardrossan.
- 382. John Graham, Edinburgh.
- 383. Wm. London, Mussellburgh.
- 384. Wm. Gunn, Junior, clothier, Glasgow.
- 385. J. Dickie, W.S., Edinburgh.
- 386. H.D. Dickie, Edinburgh.
- 387. Wm. Graham, Comrie.
- 388. Alex. Ure, Writer, Glasgow.
- 389. Peter Ferguson, Glasgow.
- 390. Wm. Campbell, Oban.
- 391. Rev. John McEwan, Strathaven.
- 392. George Blair, Greenock.
- 393. Wm. Armstrong, Glasgow.
- 394. Arch. Hodge, Glasgow.
- 395. James McEwan, Glasgow.
- 396. John Reid.
- 397. Alex. Wood, Glasgow.
- 398. Duncan McFarlane, Stirling.
- 399. Arch. Stewart, Paisley.
- 400. James Noble, Stirling.
- 401. Mary Inglis, Glasgow.
- 402. James Bell, merchant, Glasgow.
- 403. F.J. Calder, Edinburgh.
- 404. Jane Richardson, Whitevale.
- 405. James Thomson, merchant, Glasgow.
- 406. J. & W. Morrison, Paisley.
- 407. "

APPENDIX IV.B.

LIST OF SHAREHOLDERS WITH LIST OF BRANCHES, 1858.

LIST OF PARTNERS.

20TH APRIL, 1858.

Those marked are eligible as Chairman, Deputy Chairman, Extraordinary Directors, and Ordinary Directors.*

- Aberdeen Banking Company, Trustees for.
 Abernethy, James, Founder, Ferryhill.
 Adam, Mrs. Jane, near Govan.
 Affleck, John, Union Bank, Paisley.
 5 Aitchison, Ann, Lauder.
 *Aitchison, James, of Alderston, Haddington.
 Aitchison, Miss Jane, Drummore, Musselburgh.
 Aitchison, Miss H. M., do., do.
 Aitken, James, Bookbinder, Edinburgh.
 10 Aitken, Mrs. Mary, Edinburgh.
 Aitken, Robert, Garscube Road, Glasgow.
 Alexander, Hugh, Union Bank of Scotland, Irvine.
 *Alexander, John, Courier Office, Glasgow.
 Alexander, William, Stanley.
 15 Alexander, Rev. Dr. Wm. L., Pinkie Burn, Musselburgh.
 Alison, James, Castle Hill, East Kilbride.
 Allan, William Balfour, Ronaldshay, Orkney.
 Ancell, Mrs. Isabella Martin, or, York Place, Perth.
 Ancell, Robert, York Place, Perth.
 20 Anderson, Alexander, Newington, Edinburgh.
 Anderson, Alexander D., M.D., Glasgow.
 Anderson, Andrew, Banker, Greenock.
 Anderson, Miss Ann, Trustee for, Edinburgh.
 Anderson, Miss Barbara Hay, George Street, Edinburgh.

8

- 25 Anderson, Miss C. C., St. Germain's, Haddingtonshire.
 Anderson, Mrs. Cecilia Wilkison or, Parson's Pool, near
 Leaswade.
 Anderson, Charles William, Merchant, Leith.
 Anderson, Miss Christina, George Street, Edinburgh.
 *Anderson, David, of Moredun, Edinburgh.
- 30 Anderson, Francis, Trustees of the late, Edinburgh.
 Anderson, George, Benwells, Old Deer.
 Anderson, Misses H. and S., Juniper Green, Edinburgh.
 *Anderson, James Andrew, of Carlang.
 Anderson, James, Ardoch, by Dunblane.
- 35 Anderson, James, Cattle Dealer, Aberdeen.
 Anderson, Jane, George Street, Edinburgh.
 Anderson, John, Junr., late Cloth Merchant, Glasgow.
 Anderson, John and Francis, W.S., Edinburgh.
 Anderson, Rev. J. R., and Mrs. A., Trustees for, Glasgow.
- 40 Anderson, Miss Mary, Trustee for, Edinburgh.
 Anderson, Mrs. Margaret M., Trinity, Edinburgh.
 Anderson, Rob. Smythe, W.S., Edinburgh.
 Annand, Mrs. Elizabeth, Trustees for, Keith.
 Arnour, William, Merchant, Strathaven.
- 45 Archibald, Miss Barbara, 30 Pitt Street, Edinburgh.
 Archer, Andrew, of Ballrogie, Conpar-Angus.
 Archibald, Robert, Devonvale, Tillicoultry.
 *Arnott, John, W.S., Edinburgh.
 Arnott, Peter, Trustees and Executors of the late, Perth.
- 50 Arthur, Matthew, Bleacher, Neilston.
- *Baillie, William Robert, W.S., Edinburgh.
 Balderston, James, Executrix of the late, Glasgow.
 Balderston, Robert, Executrix of the late, Glasgow.
 Balfour, Jas. Lewis Graham, W.S., Trustee for the family
 of, Edinburgh,
- 55 *Balfour, William, Merchant, Glasgow.
 Ballantyne, John, of Woodhouse, Peebles.
 Bannerman, Rev. Dr. James, New College, Edinburgh.
 Bannerman, John, Merchant, Manchester.
 Barr, Mrs. Helen, Willieston, Kirkcubright.
- 60 Barr, William, of Drums, Executrix of the late, Paisley.
 Barrack, William, Trustees of, Merchant, Old Aberdeen.
 Barrie, William, Executor of the late, Strathaven.
 Barbour, Geo. Freeland, 11 George Square, Edinburgh.
 Bartlett, Mrs. Barbara, Executrix of the late, Banff.
- 65 Barty, Mrs. Elizabeth, Anchorfield, Dunblane.
 Barty, Thomas, Writer, Dunblane.

- Bayne, William, Flesher, Dunning.
 Beckett, James, Secretary, Union Bank, Glasgow.
 Begbie, Miss Margaret, Hill Square, Edinburgh.
 Beggs, Thomas, Dumoon.
 70 *Bell, John, Writer, Dundee.
 *Bell, John Beatson, of Glenfarg, W.S., Edinburgh.
 Bennet, Miss Agnes, 22 Scotland Street, Edinburgh.
 Bennet, Mrs. Elizabeth, Moffat.
 Bennet, Mrs. Isabella, Whitehill House, Lasswade.
 75 Bennet, John, Farmer, Glogburn.
 Bennett, Margaret Orr, Trustees of the late, Glasgow.
 Bett, William, Agent, Union Bank, Coupar-Angus.
 Birkenyre, William, Merchant, Port-Glasgow.
 Black, James, 30 Saxe Coburg Place, Edinburgh.
 80 Black, Patrick, Spirit Dealer, Glasgow.
 Blackadder, James, Upholsterer, Edinburgh.
 Blackie, David, Coachman, Inveresk Lodge, Musselburgh.
 Blackwell, Mrs. Jean, Trustees of the late, Edinburgh.
 Blackwell, Samuel, Leather Merchant, Glasgow.
 85 Blaikie, John, of Craigiebuckler, Aberdeen.
 Blair, George, Wine Merchant, Greenock.
 Blair, Miss Isabella Ann, Ford Cottage, Greenock.
 Blair, James, Banker, Perth.
 Blair, Miss Jane Hunter, Blairquhan Castle, Ayrshire.
 90 Blair, John, Brewer, Edinburgh.
 Blair, Mrs. Margaret Gibson or, Gilmore Place, Edinburgh.
 Blair, Robert, Confectioner, Edinburgh.
 Blair, William, Manufacturer, Perth.
 Blair, William, Writer, do.
 95 Boag, Miss Jane, Mill Haugh, Dunning.
 Bond, Miss Emily Mary, St. John's Wood, London.
 Bond, Isaac, St. John's Wood, London.
 *Bonthrone, John, Maltster, Auchtermuchty.
 Boog, John, Saddler, 80 Prince's Street, Edinburgh.
 100 Boog & Rogers, Saddlers, Edinburgh.
 Borthwick, Jane, Meikledale, Langholm.
 Borthwick, Charles, Shipmaster, Old Aberdeen.
 Boswell, Miss Sibella, Pitt Street, Portobello.
 Bowden, M. J., Accountant, Union Bank, Glasgow.
 105 Bower, Mrs. Joan, Mill Street, Perth.
 Boyd, Andrew, Solicitor, Peterhead.
 Boyd, Mrs. Catherine Waddell, of Nellfield, Burntisland.
 Boyd, Rev. James, Free Church, Polmont.
 Brand, William, Secretary, Union Bank, Edinburgh.

- 110 Brand, William, W.S., Edinburgh, in Trust for Alex.
Brand, Aberdeen.
Brander, James, Farmer, Pittendrigh, Elgin.
Breachin Diocesan Library Fund, Trustees for.
Brewster, Henry Craigie, Major, 76th Regiment.
Bridges, James, W.S., and the late Mrs. Jane, Trustees of,
Edinburgh.
- 115 Brock, Alexander, Merchant, Auchterarder.
Brown, Andrew, M.D., Edinburgh.
Brown, Andrew, Trustees for children of, Isle of Man.
Brown, George, Surgeon, Grenadier Guards.
Brown, Hugh, Manufacturer, Glasgow.
- 120 Brown, James, Seedsman, Glasgow.
Brown, James, Trustees for Children of, London.
*Brown, John, of Marlee, S.S.C., Edinburgh.
Brown, Kennedy, Writer, Girvan.
Brown, Moses, Seedsman, Glasgow.
- 125 Brown, Robert, of Cardenshaugh, Executors of the late,
Aberdeen.
*Brown, Wm. Henry, of Ashley, near Edinburgh.
Brownie, James, Trustees of the late, Glasgow.
Brownie, Maxwell & Co., for behoof of, Insurance Brokers,
Glasgow.
Brownlie, Mrs. Anabella, the late, Greenock.
- 130 Brownlie, Isabella, Executrix of the late, Greenock.
Brownlie, James, Port-Dundas, Glasgow.
Brownlie, William, Builder, Strathaven.
Bruce, James, of Middleton, Mintlaw.
Bryce, Mrs. Margt., 5 Lansdowne Crescent, Glasgow.
- 135 Bryden, Rev. M. J., Kirkcaldy.
Brydie, Matthew, Grocer, Alloa.
Brydie, Thomas, Agent, Union Bank, Alloa.
Brydon, Mrs. Margaret, Rankeillor Street, Edinburgh,
Executrix of the late.
Buchan, Euphemia, Horsmill, by Bridge of Earn.
- 140 Buchanan, Miss Ellen, Minto Street, Edinburgh.
*Buchanan, James, of Blairvadick.
*Buchanan, John, Merchant, Glasgow.
Buchanan, Robert, M.D., and Spouse, Dumbarton.
*Buchanan, Thomas, Merchant, Glasgow.
- 145 Buist, Andrew, Salmon Fisher, Barnhill, Perth.
Buist, Mrs. Margaret, Brandon Street, Edinburgh.
Buist, Miss Jane, Brandon Street, Edinburgh.
Bullock, George, Boards, near Denny.
Bullock, Miss Jean, do. do.

- 150 Bulloch, Miss Jessie, Boards, near Denny.
 Bulloch, John, Farmer, do. do.
 Bulloch, Miss Margaret, do. do.
 Bulloch, Thomas, do. do.
 Bulloch, William, Trustees for, do. do.
- 155 Buntin, William, Executors of the late, Kilmarnock.
 Burnett, Miss Margaret, Carronbank, Stenichaven.
 Burnett, Newell, Advocate, Aberdeen.
 Burnie, James J., Agent, Union Bank, Moffat.
 Burnie, Misses Margaret, Jane M., Murray J., and Mary J., Moffat.
- 160 Burnie, Thomas Jardine, Clydesdale Bank, Rothesay.
 Burns, George, Merchant, Dumbarton.
 Burns, Robert, Executors of the late, Edinburgh.
 Burr, David MacGibbon, Glasgow.
 Burr, James, Glasgow.
- 165 Burr, Margaret Moyes and Grace, Glasgow.
 Burt, Dr. and Mrs. J. G. M., Trustees for, Edinburgh.
 Butchart, George, Lone Leven, near Perth.
 Butter, Archd., of Faskelly, by Pitlochry.
 Butter, Miss Mary, Blairgowrie.
- 170 Buyers, John, Builder, Aberdeen.
 Buyers, Peter, Merchant, Aberdeen.
 Buyers, William, Builder, Aberdeen.
- Caledonian Bank, Inverness.
 Callender, James, Executors of the late, Edinburgh.
- 175 Cameron, Mrs. Agnes, Auchtermuchty.
 Cameron, Miss Catherine P., Curators of, Auchtermuchty.
 *Cameron, Duncan, Manufacturer, Glasgow.
 Cameron, Ewen, Farmer, South Muirtown, Perth.
 Cameron, James, Merchant, Aberfeldy.
- 180 Campbell, Miss Annabella, Executors of the late, Bunes-
 san, Mull.
 Campbell, Lieut. Charles James Fox, R.N., London.
 *Campbell, Colin, of Colgrain.
 *Campbell, Colin, yr. of Colgrain, Helensburgh.
 Campbell, Jas. Archd. and Mrs., Trustees for, of Inveraw.
- 185 *Campbell, James, Merchant, Glasgow.
 Campbell, John, of Hollheads, Claybrae, Trinity Gask.
 Campbell, Lorne, Factor, Roseneath.
 Campbell, Mrs. Margaret, Trustees for, Roseneath.
 *Campbell, Thomas, Merchant, Glasgow.
- 190 Campbell, Capt. Wm., 6 Gillespie Terrace, St. Andrews.
 Campbell, Rev. W., Executor of the late, Manse of Coul.

- Carrington, Robert Charles, residing at Dunkeld.
 Carphin, George, Adam Street, Edinburgh.
 Carstairs, Miss Margaret, Elie.
 195 Catto, William, Union Bank of Scotland, Aberdeen.
 Caw, John B., Executors of the late, Edinburgh.
 *Chalmers, David, of Westburn, Aberdeen.
 Chalmers, James Hay, W.S., Edinburgh.
 Chalmers, James, Merchant, Blairgowrie.
 200 Chalmers, Rev. William, Edinburgh.
 Child, W. K., and John Gibson, for Trustees of late W.
 Child, of Glencorse.
 Chisholm, William, Aberdeen.
 Christie, Alexander, Merchant, Auchterarder.
 Christie, George, Brick Manufacturer, Stirling.
 205 Christie, William, Agent, Union Bank, Dunblane.
 Clapperton, Alexander, Trustees of the late, Edinburgh.
 Clapperton, John, Merchant, Gorebridge.
 Clark, Elizabeth, Glasgow.
 Clark, John, and Spence, Trustees for, Glasgow.
 210 Clark, John, Teviot Row, Edinburgh.
 Clark, John, Pitlour, by Auchtermuchty.
 Coats, John, Major, London.
 Cochran, Alexander, Surgeon, Auchterarder.
 Cochran, Francis James, of Balfour, Aberdeen.
 215 Cochrane, John, Junr., Merchant, Strathaven.
 Cochrane, John, Executors of the late, Strathaven.
 Cochrane, William, Farmer, New Milton, Edinburgh.
 Collie, Alexander, Merchant, Glasgow.
 Collie, Alexander, of Oakbank, Aberdeen.
 220 Colquhoun, Thomas, Cabinetmaker, Glasgow.
 Colville, George, Executors of the late, Edinburgh.
 Conacher, Alex., Farmer and Distiller, Mains of Pitlochry.
 Conacher, David, Merchant, Pitlochry.
 Condamine, John de la, and Jane Bris Maingay, Guernsey.
 225 Condie, George, Writer, Perth.
 Cook, David, of Carphin, Fifehire.
 Cook, Mrs. Jane McDonald or, King Street, Perth.
 Copland, Mrs. Elizabeth, Executors of the late, Aberdeen.
 Cornfute, Alex. McDonald, Rose Terrace, Perth.
 230 Cornfute, George Lawson, Manufacturer, do.
 Cowan, Cuthbert, Banker, Ayr.
 Cowan, Hugh, Banker, Ayr.
 Cowan, James, Stirling.
 *Cowan, James, Paper Maker, Royal Terrace, Edinburgh.
 235 Cowan, John, Union Bank, Glasgow.

- Cowan, Robert, Trustees of the late, Glasgow.
 Cowan, William, Banker, Ayr.
 Crabbe, John, Executrix of the late, Edinburgh.
 Craig, Misses Marjory and Margaret, Elgin.
 240 Craigie, David, Cashier, Union Bank, Perth.
 Crawford, Rev. David, London Street, Edinburgh.
 Crawford, Misses Janet and Margaret, Cumnock.
 Crawford, James, Merchant, Dunning.
 Crawford, John, Eagle Foundry, Glasgow.
 245 Crichton, David, Agent, Union Bank, Thornhill.
 Crichton, Miss Eliza, Mansfield, Thornhill.
 Crockatt, John, Birrletown, by Coupar-Angus.
 Cruickshanks, Miss Agnes, Executors of the late, Old
 Aberdeen.
 Cruickshank, Edward, 6 West Claremont Street, Edin-
 burgh.
 250 *Crum, James, Merchant, Glasgow.
 *Crum, John, Merchant, Glasgow.
 *Crum, Walter, Merchant, Glasgow.
 Cubitt, George, Norwood House, Ryde, Isle of Wight.
 Cubitt, George, and the late Mrs. M. C., Trustees for,
 Winchester.
 255 Cumins, Mrs. Jane Margt., Lauriston Place, Edinburgh.
 Cunningham, Miss Anne, Newton House, Perth.
 *Cunningham, James, W.S., Edinburgh.
 *Cunningham, John, Pollokshields, Glasgow.
 Cunningham, Rev. John, Glen Devon.
 260 Cunningham, Mary, Executors of the late, Perth.
 Cunnyngname, Dame H. Dick, Prestonfield, Edinburgh.
 Currie, John, and the late Mrs., Trustees for, Edinburgh.
 Currie, Mrs. Jessie, wife of Rev. Peter Currie, Glasgow.
 *Cuthbertson, Donald, Accountant, Glasgow.
 265 *Dalglish, Andrew S., Glasgow.
 Dalglish, Mrs. Elizabeth, Allanton, by Galston.
 Dalglish, John, Executrix of the late, Partick.
 *Dalglish, Robert, of Kilmardunny, M.P., Glasgow.
 Dalziel, James, Executrix of the late, Bothwell.
 270 Dalziel, Mrs. Jane, Bank Place, North Leith.
 Dalziell, Mrs. Agnes, Anchorage, Bothwell.
 Davidson, Alexander, Advocate, Aberdeen.
 Davidson, Andrew, Writer, Perth.
 Davidson, George, Shoemaker, Cotton.
 275 Davidson, Executors of the late John, Senr., Merchant,
 Aberdeen.

- Davidson, Miss Margaret, Rose Terrace, Perth.
 *Davidson, William, M.D., Greenock.
 Dawson, Andrew, Tailor, Alloa.
 Dempster, Miss Agnes, York Place, Edinburgh.
 280 Dempster, Catherine, Alva.
 Dempster, Miss Nicholas, York Place, Edinburgh.
 Denholm, Jas., and Sponse, 53 Wellgate Street, Lanark.
 *Dennistoun, Alexander, Merchant, Glasgow.
 Dennistoun, Alexander, Junr., Trustee for, Glasgow.
 285 Dennistoun, Mrs. Isa. Kath., widow of James Dennistoun,
 of Dennistoun.
 Dennistoun, James, Executors of the late, of Dennistoun.
 *Dennistoun, John, Merchant, Glasgow.
 Dennistoun, Robert Wood, Trustee for, Glasgow.
 Dick, James, Merchant, Bathgate.
 290 Dickson, John, W.S., Perth.
 Donald, Robert, Brushmaker, Aberdeen.
 Donald, Thomas and Mrs. Frances, Trustees under Mar-
 riage Contract of, Glasgow.
 Dougall, John, Farmer, Wester Balquhandy, Dunning.
 Douglas, Miss Eliza, Trustees for, Lockerbie.
 295 Douglas, Miss Mary, Nelson Street, Edinburgh.
 Drybrough, Andrew, Trustees of the late, Edinburgh.
 Dudgeon, John, Almond Hill, Kirkliston.
 Duff, Alexander, Pitlochry.
 Duff, Miss Anne, Pitlochry.
 300 Duff, David, Accountant, Union Bank, Pitlochry.
 Duncan, John, Advocate, Aberdeen.
 Duncan, Isabella, Treasurer of the Edinburgh Institution
 for Reformation of Female Juvenile Delinquents.
 Duncan, Thomas, Trustees of the late, Writer, Perth.
 Dundas, Miss A. Frances, Broughton Place, Edinburgh.
 305 Dundas, Miss Margaret B., Broughton Place, Edinburgh.
 *Dundas, William Pitt, Advocate, Edinburgh.
 Duthie, Walter, W.S., Edinburgh.
 Duthie, William, Shipowner, Aberdeen.
 Eadie, James, Trustees for Children of late, Wester Bennie.
 310 Easton, John, Stormontfield, Perth.
 Edinburgh Asylum for the Blind, Trustees for, Edinburgh.
 Edinburgh and Leith Society of Booksellers, Trustees for.
 Edinburgh Merchant Company, Trustees for the Widows'
 Fund of.
 Elder, Miss Mary, Edinburgh.
 315 Elliott, Miss Margaret, Dalkeith.

- Espie, Alex. and Mrs. Jean, Alva.
 *Ewing, H. E. Crum, of Strathleven, M.P., Merchant,
 Glasgow.
- Farquharson, Miss Elizabeth, of Invercauld, Edinburgh.
 *Fergus, John, of Strathore, M.P., Kirkcaldy.
- 320 Ferguson, Daniel, Gardner's Crescent, Edinburgh.
 Ferguson, James, Executors of the late, Edinburgh.
 Fergusson, James, of Baledmund, Perthshire.
 Ferguson, Smith, Trustees for the Children of the late,
 Edinburgh.
- Ferguson, Mrs. Susannah, Rothesay.
- 325 Ferrier, Miss Margaret, Park Place, Edinburgh.
 Field, Henry, Tin-plate Worker, Glasgow.
 Finlayson, Miss Catherine, West Third of Rottearns, Braco.
 Fisher, Captain A. S., Aberdeen.
 Fisher, Mrs. Jane Husband or, of Glenearn, Bridgend,
 Perth.
- 330 Fleming, David, Surgeon, Bridgend, Perth.
 Fleming, John, Advocate, Aberdeen.
 Fletcher, Alex., Trustees of the late, Glasgow.
 Flockhart, John, Writer, Perth.
- *Forbes, Right Rev. Alex. Penrose, Bishop of Brechin.
- 335 *Forbes, Charles, Edinburgh.
 Forbes, Miss Christina Frances, Old Aberdeen.
 Forbes, George, the late, Banker, Edinburgh.
 Forbes, Misses Helen and Elizabeth, Trustees for, Edin-
 burgh.
- *Forbes, Professor James David, University, Edinburgh.
- 340 *Forbes, Sir John Stuart, Bart., of Pittsigo, Fettercairn.
 Forbes, Mary, Relugas, Morayshire, Trustees for.
 Forbes, Sir William, J. Hunter & Co., Trustees for the
 late Banking Firm of, Edinburgh.
- Ford, Miss Elizabeth, 6 South Gray Street, Edinburgh.
- Forman, John Nairn, W.S., Edinburgh.
- 345 Forrest, Mrs. Elizabeth, Glasgow.
 Forrest, John R., Auctioneer, Edinburgh.
 Forrest, John, Staff-Surgeon, London.
 Forrest, Robert, Feuar, Greenock.
- Forster, Miss Elizabeth, Ainslie Place, Edinburgh.
- 350 Forsyth, Rev. James, Minister, Craigend, Perth.
 Fortune, Miss Forbes, London Street, Edinburgh.
 Fraser, Alexander, City Chamberlain, Aberdeen.
 Fraser, Mrs. Amelia, Killearn.
 Fraser, James, Junr., Merchant, Inverness.

- 355 Fraser, Miss Janet, 5 Great Stuart Street, Edinburgh.
 Fraser, John, Writer, Kirkwall.
 Fraser, John, Shoemaker, Aberdeen.
 Fraser, Misses Margaret and Elizabeth, Edinburgh.
 Fraser, Patrick, Advocate, 46 Northumberland Street, Edinburgh.
- 360 *Fraser William, Coach Hirer, Edinburgh.
 *Freeland, John, Merchant, Glasgow.
 *Freeland, Robert, of Gryffe Castle, Merchant, Glasgow.
 *Freer, George, Hill Street, Glasgow.
 Fulton, Andrew, Maitland Street, Edinburgh.
- 365 Gairdner, Charles, Accountant, Glasgow.
 *Gairdner, C. D., Auchans, Kilmarnock.
 Gairdner, Miss Jane Bowie, Edinburgh, and the Trustees for Mr. and Mrs. W. K. Child, Edinburgh.
 *Gairdner, John, M.D., 52 Northumberland Street, Edinburgh.
 Gairdner, Robert, Union Bank, Kilmarnock.
- 370 *Gairdner, Thomas, of Craigend, Stirling.
 Galbraith, Mrs. Margaret, Glasgow.
 Galloway, Mrs. Janet, 3 Melbourne Place, Edinburgh.
 Garden, Miss Claudia H., St. Vincent Street, Glasgow.
 Garden, Miss Henrietta, St. Vincent Street, Glasgow.
- 375 Garden, Mrs. J., Glasgow.
 Gardiner, John, of Rottearns, by Auchterarder.
 Gardiner, Patrick, of Rottearns, Braco.
 Gardiner, William, of Rottearns, Low Bank, Auchterarder.
 Gardner, John, Glencoy, Brodick.
- 380 Gauld, George, Parkhall of Glass.
 Gauld, George, Executor of the late, Bonekilloch.
 *Gebbie, William, Writer, Strathaven.
 *Geddes, John, Major-General, Newington, Edinburgh.
 Geckio, Peter, Balboughty, Perth.
- 385 Gellatly, Rev. Robert, Bristol Street, Edinburgh.
 George, James, the late, Shipowner, Greenock.
 Gibb, Elias, Executors of the late, Merchant, Glasgow.
 Gibson, Elizabeth, 16 Gilmour Place, Edinburgh.
 Gibson, Miss Jane Cunningham, Haddington.
- 390 Gibson, John, Banker and Merchant, Crieff.
 Gibson, Lewis, do. do.
 Gibson, Robert, Merchant, Johnstone.
 *Gilbert, John Graham, York Hill, Glasgow.
 Gillespie, Alexander, M.D., Edinburgh.
- 395 Gillespie, Miss Sarah, Ann House, Stranraer.

- Gillies, David J., Dentist, Londonderry.
 Glen, William, Executrix of the late, Edinburgh.
 Gloag, Miss Helen Bell, Plymouth.
 Gloag, Matthew, Wine Merchant, Perth.
 400 Goodsman, Miss Margaret, Kinmonth, New Scone.
 *Goldie, Robert, Bonnyrigg, Lasswade.
 Goeld, James, Executor of the late, Glasgow.
 Gordon, Rev. Alexander, Forglen.
 Gordon, Duncan, Major, Walker Street, Edinburgh.
 405 Gordon, Sir John Watson, Knight, Edinburgh.
 Gordon, Robert Gray, Ouselands, Paris, Canada West.
 Gordon, John, in Trust for, Ouselands, Paris, Canada West.
 Gordon, William, Farmer, Ouselands, Paris, Canada West.
 Gowan, Alexander, Trustee for, Edinburgh.
 410 Graham, James Cunningham, Advocate, and Mrs. Eliza-
 both, his Spouse, Trustees for, Edinburgh.
 Graham, John, Merchant, Dunblane.
 Graham, John, Manufacturer, Glasgow.
 Graham, Miss Sarah, 27 Queen Street, Edinburgh.
 Grainger, Miss Jane Euphemia, Aberdeen.
 415 Grant, Rev. Daniel, Tullymet, by Pitlochry.
 Grant, D. R. L., Merchant, Aberdeen.
 Grant, Duncan, Bought, by Inverness.
 Grant, Mrs. Elizabeth, Edinburgh.
 Grant, Robert, Executors of the late, of Tillyfour.
 420 *Gray, James, Flesher, Edinburgh.
 Gray, James, Accountant, Dalkeith.
 Gray, Miss Jane, residing in St. Andrews.
 Gray, Jane, Executors of the late, Perth.
 Gray, John, Bank Teller, Perth.
 425 Gray, John McEwan, Ironmonger, Perth.
 Gray, John, Junr., Merchant, Dalkeith.
 Gray, Miss Mary, Mansfield, Aberdeen.
 Gray, Robert, Executors of the late, Glasgow.
 Gray, Roderick, Writer, Peterhead.
 430 Gray, Thomas, Executors of the late, Glasgow.
 Green, Charles, Writer, Keith.
 Green, Robert, Bank Agent, Keith.
 Greig, James, Merchant, Perth.
 Greig, Robert, do. do.
 435 Greirson, Mrs. Katherine, Edinburgh, Trustees for.
 Grieve, Mrs. Jane, Executors of the late, Moffat.
 Grieve, Mary, Moffat.
 *Grove, Captain Francis, Kincardine Castle, Auchter-
 arder.

- Guild, Miss Margaret, Middle Third, Dunning.
 440 Gunn, William, Junr., Shandon, Garelochhead.
 Haldane, John and Miss Isabella, Haddington.
 Halket, David, Surgeon, (for self and sons), Perth.
 Hall, Miss Margaret, Bonnington Road, Edinburgh.
 Halloy, Rev. Thomas, Henderson Row, Edinburgh.
 445 Hally, George, Manufacturer and Merchant, Auchterarder.
 *Hamilton, John George, Hafton House, Dunoon.
 Hamilton, Misses M. and H. B., Woodside Crescent, Glasgow.
 Hamilton, Matthew, 4 St. James's Terrace, Glasgow.
 Hamilton, Miss Matilda, Glasgow, and Mrs. Helen B. Hamilton or Donald.
 450 *Hannan, James, Merchant, Glasgow.
 Hart, John, Executor of the late, Dunblane.
 Harvey, Alexander, Executors of the late, Greenock.
 Harvey, Jean, Campbellton.
 Harvey, Robert, Surgeon, Stirling.
 455 *Hay, Sir Adam, Bart., of Haystoune.
 Hay, Lady Ann, King's Meadows, Peebles.
 Henderson, Dr. Alexander, of Caskieben.
 Henderson, Mrs. Isabella, Kilclavin Manse, by Stanley.
 Henderson, James John and Mrs. Elizabeth, Trustees for the late, Hamilton.
 460 Henderson, William, Builder, Aberdeen.
 Henry, Alex. Anderson, of Woodend, Crief.
 Henry, George, Merchant, Aberdeen.
 Hepburn, Mrs. Ninian, Trustees for behoof of, Perth.
 Herbertson, John Thomas, Port-Dundas, Glasgow.
 465 Hill, Mrs. Agnes, Perth.
 Hill, Miss Elizabeth, Auchtermuchty.
 Hill, Mrs. Frances, Auchtermuchty.
 Hill, James, Farmer, Braidstone, Coupar-Angus.
 Hill, William Blair, do., North Ballo, do.
 470 Hillhouse, John Symington, and James Hillhouse, Prestonkirk.
 Hodge, Archibald, Taylor Street, Glasgow.
 Hodgson, Mrs. Grace and Mr. Thomas, Marriage Trustees for, London.
 Honey, Rev. John Adamson, Minister of Inchtara.
 Horn, James, Shipowner, Aberdeen.
 475 *Horne, Donald, W.S., Edinburgh.
 Horne, Rev. John, Incumbent of Early Parsonage, Reading.

- Horne, Thomas E. O., W.S., Edinburgh.
 Horne & Rose, W.S., Edinburgh.
 *Houston, Ludovick, of Johnstone.
- 480 Howatson, William, Junr., Derntaggert, Ayrshire.
 Hughes, Mr. and Mrs. George, Trustees for, Edinburgh.
 Hunter, Charles, Argaith, Perth.
 Hunter, Miss Isabella, Trustees for, Craiglands House,
 Moffat.
 Hunter, Thomas, Farmer, Fimmore, Longforgan.
- 485 Hurrop, Isaac W., and his Wife Agnes, Trustees for,
 Cairnies, Perthshire.
 Husband, Mrs Margaret, Executors of the late, Perth.
 Hutchison, John, Executors of the late, Glasgow.
 Hutton, Alice Smeaton, Trustees for, Edinburgh.
 Hyde, Mrs. Elizabeth, Dunoon.
- 490 Inlach, George, Ann Street, Edinburgh.
 *Inglis, Alexander, M.D., Redhall, near Edinburgh.
 Inglis, Miss Barbara, Edinburgh.
 Inglis, Miss Jane, Trustees for behoof of, Edinburgh.
 Inglis, Miss Maria, Redhall, near Edinburgh.
- 495 Inglis, Robina, Executors of the late, Edinburgh.
 Ingram, Alexander, Executrix of the late, Turriff.
 Ingram, Miss Jane Stuart, Fala.
 Innes, Robert, Bank Agent, Inverury.
 Irvine, William Stewart, M.D., Craigatin, near Pitlochry.
- 500 Isdale, Elizabeth, Easter Kinmeath, Bridge of Earn.
 James, Alexander, and the late Mrs. Ann, Trustees for,
 Edinburgh.
 Jamieson, John, S.S.C., Trustees of the late, Edinburgh.
 Johnston, James, M.D., Edinburgh.
 Johnston, James, Farmer, Drumwhindle, by Ellon.
- 505 Johnston, Miss Margaret L., Queen Street, Edinburgh.
 Johnstone, Mrs Jane Hogarth Trotter or, (for self and
 two others in fee), Moffat.
 Johnstone, Margaret, Executors of the late, Edinburgh.
 Johnstone, William, Horslet Hill, Partick.
- Jollie, Walter, W.S., Edinburgh.
- 510 Joyce, William, Portadown.
 Kay, James Keith, Draper, Dalkeith.
 Keir, Mrs. Joan, 7 Argyll Square, Edinburgh.
 Keir, Patrick Small, of Kinroan, Kirkmichael, by Blair-
 gowrie.

- Kemp, Miss Jane, Turriff.
- 515 Kemp, John, Farmer, Bands of Cullen.
- Kennedy, Lewis, Factor for Lord Willoughby D'Eresby, Pitkelony, by Crieff.
- Ker, Miss Maria A., Upper Gray Street, Edinburgh.
- Kerr, Mary Ann, Burntisland.
- Kerr, Geo. Collier, R.N., and Mrs. Ann L., Marriage Trustees of.
- 520 Kerr, Robert, Captain, R.N.
- Kilgour, John, Farmer, Spoutwells, Blairgowrie.
- Kilpatrick, George, Trustees of the late, Glasgow.
- Kilpatrick, Robert and Margaret, Marriage Trustees of, Glasgow.
- Kincaid, John, Engraver, Lennoxton.
- 525 King, Archibald, the late, Tobaccoist, Greenock.
- King, Campbell, Merchant, Glasgow.
- King, Matthew, Executors of the late, Port-Glasgow.
- King, Robert Love, Union Bank, Beith.
- King, William, Executors of the late, Glasgow.
- 530 Kinloch, Sir David, Bart., Trustees for, of Gilmerton.
- Kinloch, John, Merchant, Ayr.
- Kinnmont, Thomas Rogers, Banker and Writer, Errol.
- Kinnaird, John, Weaver, Leslie.
- Kinnear, Charles George Hood, of Drum.
- 535 Kinnear, Elizabeth, Lethendy, Perth.
- Kinnear, Miss Marjory, do. do.
- Kinniburgh, Mrs Sarah, Deaf and Dumb Institution, Glasgow.
- Kinniburgh, William Betts, Union Bank, Glasgow.
- Kirk, James, Cambus, by Stirling.
- 540 Kirk, Miss Margaret, Dollar.
- Kirk, Thomas, Dollar.
- Kirkland, William, Warehouseman, 79 George Street, Glasgow.
- Knight, Mary Ann, Dunkeld.
- Lamont, Colin, Jun., Union Bank, Greenock.
- 545 Landale, Mrs. Catherine Patricia, Spouse of Thomas Landale, Farmer, Colzie, Fife.
- *Landale, David, of Lindifferon, Letham.
- Landale, James, Woodmill, Falkland.
- Law, David Smith, 84 John Street, Glasgow.
- Lawrence, John, Farmer, Pothill, Auchterarder.
- 550 Lawson, Rev. Alex., Creich, by Luthrie.
- Lawson, Miss Helen, 21 Fettes Row, Edinburgh.

- Lawson, Misses Helen and Mary, Edinburgh, Executors of
 the late Miss Jane Lawson, Edinburgh.
 Lawson, Miss Mary, Fettes Row, Edinburgh.
 Lawson, Matthew, Union Bank, Dunning.
 555 Leadbetter, Thomas, Merchant, Glasgow.
 Learmonth, James, 141 George Street, Edinburgh.
 Leckie, Miss Janet, Lennoxtown.
 Leckie, William, Farmer, Goscholum, Dumbarton.
 Lee, Miss Isabella Euphemia, College, Edinburgh.
 560 Lees, Charles, Edinburgh; Henry Lees, Edinburgh; and
 George T. Lees, Cupar-Fife.
 Lennox, John, Culling, near Dunblane.
 Leslie, James, Licklyhead, Premnay.
 Leslie, John, Banker and Writer, Dunkeld.
 Leitham, Mrs. Margaret, Woodland Road, Glasgow.
 565 Lindsay, David, Cattle Dealer, Mauchline.
 Lindsay, Miss Elizabeth, Rothsay, in liferent, and her
 Heirs in fee.
 Lindsay, Henry, Executors of the late, Perth.
 Lindsay, John, of Woodend, Perth.
 Lindsay, Robert, Melbourne, Victoria, in liferent, and his
 Heirs in fee.
 570 Lindsay, William, Regent Terrace, Edinburgh.
 Lizars, William Home, Engraver, Edinburgh.
 Livingstone, Miss Janet, Executor of the late, Perth.
 Livingstone, John E., Banker, Perth.
 Logan, Edmond, W.S., Edinburgh.
 575 Logan, William Charles and Mrs. Janet, Mauchline.
 Longmore, Andrew, Rottie, by Bauff.
 Lorimer, James, Aberdalgie, Perth.
 Lorimer, James, Jun., Advocate, Edinburgh.
 Lorimer, Thomas Webster, Farmer, Bellie, Perthshire.
 580 *Louden, Hugh, Merchant, Johnstone.
 Low, Margaret, Barossa Place, Perth.
 Lowe, Mrs. Jane, Edinburgh.
 Lowson, John, Jun., Manufacturer, Forfar.
 Lumsden, William James, of Balmadie.
 585 Lyon, Miss Jessie Bogle, Glasgow.
 Lyon, Miss Margaret, St. Leonard Street, Edinburgh.
 Malcolm, William, M.D., Perth.
 Manson, Helen, Princes Street, Perth.
 *Marshall, John, of Rossmount, Perth.
 590 Marshall, John, Banker, Bathgate.
 Marshall, Rev. William, Leith.

- Marshall, William, Goldsmith, Edinburgh.
 Marshall, William, of Luncarty, by Perth.
 Martin, Hugh, Executrix of the late, Perth.
 595 Martin, James, M.D., Leadhills.
 Martin, James, Manufacturer, Dunning.
 Martin, John, Manufacturer, Dunning.
 Martine, James, Inland Revenue Office, Edinburgh; Mar-
 tine, Patrick, British Linen Co.'s Bank, Edinburgh;
 and Martine, George, H.M. Customs, Leith.
 Martine, James, Edinburgh, and George Martine, Leith.
 600 Mathieson, Kenneth, the late, Glasgow.
 Matthew, Robert, St. Leonard's Bank, Perth.
 Maury, William, Writer, Perth.
 Maxwell, Martha, Executrix of the late, Glasgow.
 Maxwell, Miss Mary A., 15 London Street, Edinburgh.
 605 *Maxwell, Sir Wm., Bart., of Calderwood.
 *Maxwell, William, Surgeon, Langholm.
 Maxton, John, Executors of the late, Stormontfield.
 Menzies, James, Farmer, Benhead, Blackford.
 Menzies, George, Fochabers.
 610 *Menzies, Graham, S Athole Crescent, Edinburgh.
 Menzies, John, at Cameron House, Edinburgh.
 Menzies, Robert, residing in Dunning.
 Menzies, May McDonald or, Edinburgh.
 Merry, James, Executors of the late, Glasgow.
 615 Middleton, James, Executors of the late, Edinburgh.
 Midler, James, Farmer, Windyhillis, by Ellon.
 Millar, James, Executors of the late, Edinburgh.
 Miller, George, Farmer, Rait, by Errol.
 Miller, James, Trustees of the late, Writer, Perth.
 620 Miller, John, Executrix of the late, Edinburgh.
 Miller, Richard, Watchmaker, Edinburgh.
 Miller, Robert, Clothier, Glasgow.
 Miller, William, Farmer, Kilspindie, by Errol.
 *Milne, George, of Kinablie, by Aberdeen.
 625 Milne, Robert, Bank Agent, Huntly.
 Milne, William, Executors of the late, Glasgow.
 *Mitchell, Alexander, Currier, Glasgow.
 Mitchell, Rev. Alexander, North Church, Dunfermline.
 Mitchell, Alexander, Exchequer, Edinburgh.
 630 Mitchell, Alex., Executors of the late, Civil Engineer,
 Perth.
 Mitchell, David, Peterhead.
 Mitchell, James, Banker and Writer, Pitlochry.
 Mitchell, John, Brackley, Ballater.

- Mitchell, William, Bookseller, Aberdeen.
- 635 Mitchell, William, Grazier, Susscoth.
- *Mitchelson, Archd. Hepburn, of Middleton, Perthshire.
- Moir, Robert, of Easter Auchleuchries, Tarty, by Ellon.
- Moncrieff, Alexander, W.S., Perth.
- Moncrieff, George, Writer, Perth.
- 640 Moncrieff, Robt. Hope, Trustees of the late, Perth.
- Monteath, Alexander, of Broich, by Crieff.
- Monteath, Alexander, Stirling.
- Monteath, James Ritchie, Stirling.
- *Monteith, Robert, of Carstairs.
- 645 Montgomery, Mr. and Mrs. Jas., Trustees for, Rankellor.
- Montgomery, John and Robert, Merchants, Campbelton.
- Morris, Margaret, Coupar-Angus.
- Morison, Miss Amelia G., Archibald Place, Edinburgh.
- Morison, James, Accountant, Perth.
- 650 Morison, Robert, Farmer, Dalreoch, Dunning.
- *Morrison, Alexander, Writer, Glasgow.
- Morrison, Andrew, Merchant, Banff.
- Morrison, Miss Ann, Fochabers.
- Morrison, Mrs. Christiana, Portobello.
- 655 Morrison, James, Somerville Place, Glasgow.
- Morrison, Joseph and John, Leather Merchants, Glasgow.
- Morrison, William and Roderick, Merchants, Stornoway.
- Morton, James, Merchant, Glasgow.
- Mount, James, Wood Merchant, Perth.
- 660 Mowbray, John T., W.S., Edinburgh.
- Mowbray, Robert, Executors of the late, Leith.
- Muir, Agnes, Campsie.
- Muir, Rev. Francis, and his wife Jane, Leith.
- Muirhead, Claud, Printer, Edinburgh.
- 665 Muir, John, Inspector of Taxes, Aberdeen.
- Munro, James and David, Bootmakers, Aberdeen.
- Murdoch, Alexander, Rahushill, Kilmarnock.
- Murdoch, James, Farmer, Carnyue, near Glasgow.
- *Murie, David, Commission Agent, Perth.
- 670 Murray, Alexander, Merchant, Whitehills, Banff.
- Murray, Miss E., Trustees of the late, Edinburgh.
- Murray, George, Builder, Aberdeen.
- *Murray, George Joseph, Frithy, Taunton.
- Murray, James, Advocate, Aberdeen.
- 675 Murray, James Wolfe, Yr., of Cringltie, in Trust for.
- Murray, Miss Janet, Kippendavie, Dunblane.
- Murray, Rev. John, Morton Manso, Thornhill.
- *Murray, Joseph, of Ayton.

- Murray, Peter, Solicitor, Portsoy.
- 680 Murray, Misses Rebecca P. and Margaret G., St. Bernard's Crescent, Edinburgh.
- Murray, Robert, Confectioner, Aberdeen.
- Murray, Robert R., Union Bank, Edinburgh.
- *Murray, Mrs. Sarah, South Queensferry.
- Murray, William, Merchant, Glasgow.
- 685 Murray, William, in Trust for, Crieff.
- Mutrie, Misses M. M. and Agnes, Rothesay.
- Nyles, John, Writer, Forfar.
- McAlister, Ann, Garscube Road, Glasgow.
- MacAllan, James, W.S., and Mrs. Cecilia and Children, Edinburgh.
- 690 MacAra, Charles, Executrix of the late, Dunblane.
- MacAra, Mrs. Jane M. S. F., Dunblane.
- McArthur, Donald, Trustees of the late, Achan.
- McArthur, Mrs. Mary McLachlan or, Auchdunan, Lochfinchhead.
- McAslan, Alexander, Executors of the late, Glasgow.
- 695 McCheyne, Miss Elizabeth Mary, Portobello.
- McCheyne, Wm. O. H., Portobello.
- *McCulloch, Robert, Wine Merchant, Glasgow.
- McCurrieh, Laurence, Parochial Schoolmaster, Dunning.
- McDonald, Dr. Alex., Royal Artillery, Rubislaw Park, Aberdeen.
- 700 McDonald, Alexander, Executors of the late, Perth.
- McDonald, Alexander, Merchant, Aberfeldy.
- McDonald, Catherine, Portland Street, Glasgow.
- McDonald, M. N., and late Mrs. McDonald, Trustees for, Edinburgh.
- McDonald, M. N. and Mrs., Trustees for, Edinburgh.
- 705 McDonald, Rev. Robert, North Leith.
- McDougall, Duncan, Curator Bonis fer, Perth.
- McDowall, Henry, Carruth, Johnstone.
- Macduff, Alexander, Factor, Blair Athole.
- Macduff, H. C. R., and Spouse, Trustees for, Perth.
- 710 McEwan, Alexander, Manufacturer, Crieff.
- McEwan, James, do. do.
- McEwan, Thomas, Sen., Executor of, Crieff.
- McEwen, Thomas, Merchant, Crieff.
- McFarlane, Rev. John Taylor, Hamilton.
- 715 McFarlane, Patrick, Banker, Comrie.
- McGaan, Andrew, Executors of the late, Mauchline.
- *MacGibbon, Charles, Edinburgh.

- MacGibbon, David, Trustee for, London.
 MacGibbon, David, Architect, Edinburgh.
- 720 *McGibbon, John Stevenson, Edinburgh.
 McGill, Mrs. Mary, Newton-Stewart.
 McGowan, William, M.D., Allea.
 McGregor, Duncan, Executors of the late, Glasgow.
 McGrigor, Coll, Executors of the late, Glasgow.
- 725 *MacGruthar, John, St. Leonard's Bank, Perth.
 McHardie, Mrs. Susan Martin or, Blairgowrie.
 McIntyre, Rev. John, Delting, Shetland.
 Melver, Donald, Skye, W. Brand, for behoof of the
 Executors of the late.
- Mackay, John, Merchant, High Street, Edinburgh.
- 730 MacKenzie, Alexander, Executors of the late, Writer, Perth.
 MacKenzie, Mrs. Catherine, Castleton of Braemar.
 MacKenzie, David, Writer, Perth.
 MacKenzie, Daniel, Executors of the late, Crieff.
 MacKenzie, James, Union Bank, Edinburgh.
- 735 *MacKenzie, John, of the Scottish Widows' Fund and Life
 Assurance Society.
 Mackenzie, John, in Trust, Scottish Widows' Fund, Edinburgh.
 Mackenzie, Kenneth, Accountant, Northumberland Street,
 Edinburgh.
- McKenzie, Miss Margaret, Skene Street, West, Aberdeen.
 McKenzie, William, M.D., Glasgow.
- 740 MacKenzie, William, Executor of the late, of Cornhill.
 Mackie, James Logan, 71 Maxwell Street, Glasgow.
 McKinlay, Robert, Merchant, Douglas.
 McLachlan, Mrs. Barbara Stewart or, 5 Keir Street,
 Lauriston, Edinburgh.
- McLaren, Rev. John and Spouse, Trustee under Marriage
 Contract of, Larbert.
- 745 McLaren, John, Factor, Alva.
 McLaren, John, Trustees of the late, Deaustone.
 McLaren, John Middleton, Thornhill, by Stirling.
 *McLaren, William, Merchant, Glasgow.
- McLaurin, Mrs. Eliza, Glasgow.
- 750 McLaurin, Isabella, Glasgow.
 McLaurin, Peter, and Children, Burnsbury Square,
 London.
- McLean, Elizabeth, Little Dunkeld.
 McLean, John, Writer, Perth.
 McLeod, Miss Ann, Old Aberdeen.
- 755 *McMicking, Thomas, Stirling.

- McMillan, Alexander, Merchant, Aberfeldy.
 MacMillan, George, Executor of the late, Halifax.
 McMurdo, Margaret, Mary, and Sophia, Greenhill Lodge,
 Edinburgh.
 McNaughton, John, Executors of the late, Berryhill.
 780 McNaughton, Robert, Trustees of the late, Glasgow.
 McNeillan, John, Brewer, Alloa.
 McNiven, Alexander, Executors of the late, Perth.
 Macpherson, James, Dalguise, by Dunkeld.
 McQueen, Donald, Trustee for the late, Mr. and Mrs.,
 Corybrough.
 765 McTyer, Mrs. Janet Niven and Wm., Redbrae, Maybole.
 McVicar, Misses Jean and Isabella, Perth.
 Nasmith, Miss Catherine Wemyss, Trustees for, Edin-
 burgh.
 Neil, James, Merchant, Coupar-Angus.
 Neill, Mrs. Jane (Wife of Adam Neill,) Haddington.
 770 Nelson, Thomas, Bookseller, Edinburgh.
 Newby, William Henry, Druggist, Perth.
 Nicholson, John, Grocer, Castle-Douglas.
 Nicol, Mrs. Eliza, the late, Edinburgh.
 Norwell, James, Inspector of Branches, Union Bank,
 Glasgow.
 775 Ogilvie, William, Druggist, King Street, Dundee.
 *Omond, Robert, M.D., Edinburgh.
 Orr, Mrs. Elizabeth, for Self and Children, Edinburgh.
 Oswald, Henry Campbell, Sharebroker, Aberdeen.
 Park, James, Shipowner, Fraserburgh.
 780 Park, Miss Margaret, St. Fergus.
 Paterson, Alexander, Union Bank, Irvine.
 Paterson, David, Currie.
 Paterson, John, Union Bank, Irvine.
 Paterson, John, S.S.C., George Street, Edinburgh.
 785 Paterson, Robert, 118 Lauriston Place, Edinburgh.
 Patison, Miss Anne Hope, Pilrig Street, Edinburgh.
 Patison, Miss Elizabeth James, Pilrig Street, Edinburgh.
 Patison, Mrs. Grace, Dollar.
 Patison, Miss Harriet, 2 Pilrig Street, Edinburgh.
 790 Paton, James Perry, Banker, Coupar-Angus.
 Paton, John, Farmer, Obney, Bankfoot.
 Paton, Rev. John, Trustees of the late, Delting, Shetland.
 Patton, Peter, Farmer, Muirheadstone, Bankfoot.
 Patton, Thomas, of Glenalmond, Perth.

- 795 Paul, John, Merchant, the late, Glasgow.
 Paxton, John, Factor for the late, Edinburgh.
 Paxton, Mrs. Mary. Executrix of the late John Paxton.
 Pearson, Mrs. M. T. and Miss Eliza D. Cameron, Burnat-
 island.
- *Peat, David, Captain, R.N., Viewforth House, Edin-
 burgh.
- 800 Peddie, William, of Blackruthven, Perth.
 Petrie, Stephen Francis, Canning House, Edinburgh.
 Pitcairn, Mrs. Hester Hine, Northumberland Street, Edin-
 burgh.
- *Pitman, Frederick, W.S., Edinburgh.
 Pirie, William, Merchant, Turriff.
- 805 Playfair, Charles, Executrix of the late, Inchmichael.
 Playfair, Robert, Agent Union Bank of Scotland, Auch-
 termuchty.
 Plimer, Miss Frances, Northumberland St., Edinburgh.
- *Pollexfen, Rev. John H., Rector of St. Remwalds, Col-
 chester.
- Porteous, Alexander, Captain, Crieff.
- 810 Pringle, Alexander, of Whytbank, the late, Edinburgh.
 Pringle, George, and the late Mrs. Ann, Trustees for,
 Edinburgh.
 Pringle, George, Rutland Street, Edinburgh.
 Pratt, William, Jun., Pharmaceutical Chemist, Huntly.
- Rae, John, Abbotsford Place, Glasgow.
- 815 Railton, Mrs. Jane, Markinch.
 Rampini, Jos., Gloucester Place, Edinburgh.
 Ramsay, George, Executors of the late, Perth.
- *Ramsay, James, Corn Merchant, Perth.
 Ramsay, James, Trustees under the Marriage Contract of,
 Perth.
- 820 Ramsay, Rev. John, Gladsmuir.
- *Ramsay, John Wedderburne, Merchant, Leith.
 Ramsay, Miss Mary M., Alva Street, Edinburgh.
- Rankin, George, Banker and Writer, Abergfeldy.
 Rankine, Miss Mary, Abbotsford Place, Glasgow.
- 825 Rannie, John Walker, Farmer, Glencarse.
- *Rannie, Robert Walker, Farmer, Inchyra.
- Rattray, Miss Jane Clerk, Craighall, Blairgowrie.
 Rattray, John, Coval Bank, Blairgowrie.
 Rattray, John and Spouse, Coval Bank, Blairgowrie.
- 830 Redpath, David, Confectioner, Edinburgh.
 Reid, Alexander, Merchant, Fochabers.
 Reid, Andrew, late Union Bank, Glasgow.

- Reid, Arthur, Pochabers.
 Reid, Henry, Major, Banff.
- 825 Reid, Henry, Farmer and Grain Merchant, Kirkland,
 Dunning.
- *Reid, James, Cashier, Union Bank of Scotland, Glasgow.
 Rennie, William, Agent, Union Bank of Scotland, Maybole.
 Renton, Mrs. Christina, Trustees for, Edinburgh.
 Renton, Robert, M.D., Edinburgh.
- 840 Richmond, Samuel, Executor of the late, Dron.
 Richmond, Thomas, of Colliston, Farmer, Monaydie.
 Rintoul, Charlotte, Gilmour Place, Edinburgh.
 Ritchie, Daniel, Executrix of the late, Glasgow.
 Ritchie, David, Farmer, Huntingtower, by Perth.
- 845 *Ritchie, George, Farmer, Rhvnd.
 Ritchie, Rev. George and Mrs. Elizabeth B., Trustees
 for the, Jedburgh.
 Ritchie, James, Executors of the late, Huntingtower.
 Ritchie, Thomas and Mrs. Susanna, Trustees for, Aber-
 deen.
- Rebb, John, Merchant, Aberdeen.
- 850 Robertson, Andrew, Merchant, Dunning.
 Robertson, Donald, Keeper of the Inner House Rolls,
 Court of Session, Edinburgh.
 Robertson, Miss Elizabeth Gray, 9 St. Vincent Street,
 Edinburgh.
 Robertson, Miss Elizabeth, Nether Garvoek, Dunning.
 Robertson, the late George, Trustees for Family of, Edin-
 burgh.
- 855 Robertson, H., Merchant, Executors of the late, Glasgow.
 Robertson, Mrs. Isabella Stewart or, Executors of the late,
 Milton of Fincastle.
 Robertson, James S., W.S., Edinburgh.
 Robertson, James, Sheriff-Substitute, Kirkwall.
- *Robertson, James, Manager, Union Bank of Scotland,
 Glasgow.
- 860 Robertson, Miss Jane, Nether Garvoek, Dunning.
 Robertson, John Murray, of the Stock Exchange, London.
 Robertson, John, Executors of, Strathlechy.
 Robertson, Miss Margaret, India Street, Edinburgh.
 Robertson, Mrs. Margaret Stewart or, Stewartstown, Blair-
 Athole.
- 865 Robertson, Miss Mary, Edinburgh.
 Robertson, Mrs. Marian Corrie, Trustees for, Glasgow.
 Robertson, Robert, Innkeeper, Bridge of Tilt.
 Robertson, Robert, Executors of the late, Perth.
 Robertson, Thomas Robert, Sharebroker, Edinburgh

- 870 Robertson, William and Mrs. Rachel F., Torquay.
 *Ronald, John, Wine Merchant, Glasgow.
 Ronaldson, John, Curator Bonis for, Falkland.
 Rose, Mrs. Mary Ann and Miss Gertrude, Chalmersdale
 Lodge, Richmond.
 Ross, Andrew, Bank Agent, Tarland.
- 875 Ross, Miss Ann, Buccleuch Place, Edinburgh.
 Ross, David, Merchant, Perth.
 Ross, Mrs. Helen, Executrixes of the late, Grantown
 Lodge, Aberdeen.
 Ross, James, Writer, Perth.
 Ross, James, Junr., Cooperstone Cottage, Aberdeen.
- 880 Ross, Miss Mary, Mill Street, Perth.
 Ross, Misses Margaret and Jean, of Oakbank.
 Ross, William, Writer, Perth.
 Roughhead, William, Merchant, Edinburgh.
 Routledge, William, Rope Manufacturer, Aberdeen.
- 885 Rowan, Miss Margaret, Trustees for, Girvan.
 Rowand, Michael, of Linthouse, the late, Glasgow.
 Rowlands, Mrs. T. Wood, Albany Street, Edinburgh.
 Roxburgh, William, Tavern-keeper, Glasgow.
 Royal College of Physicians, Edinburgh.
- 890 Rule, Mrs. Helen, Abbotsford Place, Glasgow.
 Runcy, Charles, of Millbank, Aberdeen.
 Russell, Mrs. Janet, Dalkeith.
 *Russell, John, one of the Principal Clerks of Session,
 Edinburgh.
- Russell, Peter, Union Bank of Scotland, Banff.
- 895 Rutherford, Mrs. Elizabeth, Trustees for, Edinburgh.
 Rutherford, John, Farmer, Muirhall, Perth.
- Salmon, John, Factor, Johnstone Castle.
- Samuels, Dr. P. S., Executors of the late, Edinburgh.
- Sandeman, Rev. Fred., Springland, Perth, as Commis-
 sioner for the Rev. D. Sandeman.
- 900 Sandeman, Glas, Executrix of the late, of Bonskeid,
 Springland.
 Sandeman, Thos. Robt., Executrix of the late, of Bon-
 skeid, Perth.
- Sands, Warren Hastings, W.S., Edinburgh.
- Sangster, Miss Barbara Barclay, Minnie, and Mrs. P.
 Sangster or Cruickshank, Ardford, Inverkeithney.
- Sangster, James, Farmer, Minnie, by Banff.
- 905 Selater, Misses Grace Allan and Elizabeth, 54 Rankeillor
 Street, Edinburgh.
- Scobie, Executors of the late James, Stanley.

- Scott, Alexander, Beanstone Mains, Haddington.
 Scott, Alexander, 23 Archibald Place, Edinburgh.
 Scott, Andrew, of Ettrick Bank, Selkirk.
 910 Scott, Mrs Anne, Executor of the late, Peterhead.
 Scott, Miss Charlotta Elizabeth, Charlotte Square, Edinburgh.
 Scott, David, Surgeon, Perth.
 Scott, Misses Isabella and Elizabeth, Ormiston.
 Scott, Miss Jane, Charlotte Square, Edinburgh.
 915 Scott, John, Preston Street, Edinburgh.
 Scott, John, Executors of the late, Paisley.
 Scott, Stair P., Executors of the late, Edinburgh.
 Scott, William, Wester Rora, Longside.
 Scott, William, of Dalguirn, Cupar-Fife.
 920 Scott, William John, Teriot Bank, Hawick.
 Seoular, John, Auchterarder.
 Sellar, Wm. Y. and Mrs. E. M., Trustees for, Glasgow.
 Semple & Company, Tea Merchants, St. Enoch's Square, Glasgow.
 *Shand, Alex. Innes, 25 Walker Street, Edinburgh.
 925 Sharp, Daniel, Brewer, Blackford.
 Sharp, Robert, Jun., Brewer, Blackford.
 *Sharp, Thomas, Manufacturer, Paisley.
 *Sharp, William, Orr Square, Paisley.
 Sharp, William, China Merchant, Greenock.
 930 Shaw, Misses Agnes and Anne, Bridge of Allan.
 Sheed, John, Merchant, Aberdeen.
 Sheriff, Robert, Merchant, Glasgow.
 Sibbald, John Robertson, M.D., Edinburgh.
 Sidey, George, Merchant, New Rattray, by Blairgowrie.
 935 Simpson, Mrs. Margaret, Peterhead.
 Simpson, Robert, of Cobairdy, Huntly.
 Simpson, William, Executors of the late, Fish Curer, Peterhead.
 Sinclair, George, Union Bank of Scotland, Aberdeen.
 *Sinclair, Rear-Admiral Sir John Gordon, Bart., of Stevenston.
 940 Singer, Miss Mary, Trustees for, Edinburgh.
 *Skene, W. F., W.S., Edinburgh.
 Skinner, James, Factor, Drumin, Ballindalloch.
 Small, Patrick, of Dirnanean, Kirkmichael, by Blairgowrie.
 Smart, Miss Catherine, 3 Minto Street, Edinburgh.
 945 Smith, Mrs. Agnes and others, Trustees for, Leith.
 *Smith, Archibald, Merchant, Glasgow.
 Smith, Miss Elspet, Fraserburgh.
 Smith, James, Schoolmaster, Keith.

- Smith, John, of Cabbage Hall, Leslie.
- 950 *Smith, John Fairfull, W.S., of Old Anchendrane, Ayrshire.
- Smith, George Hogan, M.D., Dumfries.
- Smith, Robert, of Glenmillan, Aberdeen.
- Smith, William, Architect, Aberdeen.
- Snodgrass, Misses Elizabeth, Joan, and Georgina, 112 George Street, Edinburgh.
- 955 *Somervell, Graham, of Hamilton Farm, Sorn Castle, Ayrshire.
- Soutar, William Shaw, Banker and Writer, Blairgowrie.
- Spencer, Miss Charlotte Francis Bona, and Miss Fannie Isabella Catherine Sponcer, Muirton House, Inverness.
- Spencer, Miss Charlotte Francis Bona, Teaninch, Ross-shire.
- Spencer, Miss Fannie Isabella Catherine, Teaninch, Ross-shire.
- 960 Spiers, Thomas Dundas, of Houston Mains, Houston.
- St. Columba's Episcopal School, Edinburgh, Trustee for.
- Stanley, Montague, Trustees for Widow and Children of late, Edinburgh.
- Stark, Miss Jane, Hill of Beath, Fife.
- Steele, Robert, Shipbuilder, Greenock.
- 965 Stevenson, James, Executors of the late, Glasgow.
- Stevenson, Thomas, Banker, Langholm.
- Stewart, Alexander, the late, Doune.
- Stewart, Alexander, Crown Hotel, Edinburgh.
- Stewart, Archibald, Banker, Blair-Athole.
- 970 Stewart, Mrs. Catherine Sinclair or, Annet Rannoch, by Pitlochry.
- Stewart, Charles and John Kinloch, Merchants, Ayr.
- *Stewart, David, Merchant, Edinburgh.
- Stewart, Daniel, Executor of the late, Doune.
- Stewart, James R., Iron Merchant, Glasgow.
- 975 Stewart, Mrs. Jane, Aberfoyle.
- Stewart, John, Executors of the late, Edinburgh.
- Stewart, Miss Mary, Castletown, Tintore.
- Stewart, Robert, St. Leonard's Bank, Perth.
- Stewart, Robert, Coachman, Pitlochry.
- 980 Stirling, Mrs. A., Castlemilk, Glasgow.
- *Stirling, James, Captain, of Glentyan, by Paisley.
- Stirling, James Hutchison, and Two Others, London, in Trust.
- *Stirling, James, W.S., of Holmhill, Dunblane.
- Stirling, Mr. and Mrs. James, Trustees for, of Holmhill.

- 985 Stirling, Mrs. Jane, Airo Street, Edinburgh.
 *Stirling John, of Kippendavie, Duablane.
 Stocks, Margaret, Imerytie, near Perth.
 Storer, James, Helensburgh.
 Strachan, William, Merchant, Banff.
- 990 Stuart, John, Falkland Place, Glasgow.
 Stuart, Lady Katherine, of Allan Bank, Edinburgh.
 Sutherland, Christina, Tower Street, Portobello.
 Sword, James, of Longacre, Glasgow.
 *Sword, Robert, Writer, Glasgow.
- 995 Symington, Mrs. Jane and Miss Margaret, Edinburgh.
 Sym, Mrs. Mary, Morningside, Edinburgh.
- Tainsh, John, Craighead, Torrance.
 Tait, Wm. and Mrs. Margaret A. T., the Marriage Trustees of Edinburgh.
 Tayler's Institution, Trustee for, Crieff.
- 1000 Taylor, James, Trustee of the late, Crieff.
 Taylor, Miss Jessie, St. Vincent Street, Glasgow.
 Taylor, Laurence, Union Bank, Edinburgh.
 Taylor, Rev. William, Executors of the late, Perth.
 Telfer, Marion Bell, Cuning Park, Ayr.
- 1005 *Tennant, John, Merchant, Glasgow.
 Tennent, Thomas, Banker, Strathaven.
 Thatcher, J. V., M.D., Executors of the late, Edinburgh.
 Thom, Miss Mary, Loanhead.
 Thoms, John, Executors of the late, Factor, Keir, Duablane.
- 1010 Thomas, Charles, Coachmaker, Glasgow.
 Thomas, James, Writer, Perth.
 Thomas, John, do. do.
 Thomas, John, Glennan House, Helensburgh.
 Thomson, Duncan, Bootmaker, Glasgow.
- 1015 Thomson, Miss Isabella, Milliner, 19 Candleriggs Street, Glasgow.
 Thomson, James, Clothier, 79 Buchanan Street, Glasgow.
 Thomson, James, Merchant, Dunse.
 Thomson, Mrs. Jane Helen, College, Edinburgh.
 Thomson, John, Westbrae, Paisley.
- 1020 Thomson, Misses Margt., Grace, and Elizabeth D., Leith.
 Thomson, Matthew, Bitmaker, Glasgow.
 Threipland, Mrs. Elizabeth, Edinburgh.
 *Threipland, Sir Patrick Murray, Bart. of Fingask, Fingask Castle, by Errol.
 Tindal, James, Procurator-Fiscal, Stonehaven.

- 1025 Tod, James, W.S., Edinburgh.
 Todd, Mrs. Barbara L., Eastercash, Strathmiglo.
 Todd, James, Castlemains, Dirlton.
 *Torrance, George, Cornely Bank, Edinburgh.
 Torrance, Thos., and Mrs. M., Meadowhead, Libberton.
- 1030 *Torrance, Thos., Farmer, Meadowhead, near Libberton.
 Torrance, William, Executors of the late, Hyvotsmill, Libberton.
 *Torrance, Wm., Hyvotsbank, Libberton.
 Touch, Anthony Murray, Union Bank, Edinburgh, in Trust for Miss Jennima C. Touch.
 Touch, Mrs. P. and Anthony M., Edinburgh.
- 1035 Traill, Mrs. Margaret, Stanway, Gloucester.
 Turnbull, George, Banker, Perth.
 Turnbull, Mrs. Rose, Barnhill Cottage, Perth.
 Turnbull, William, Peebles.
 Tweedie, Miss Margaret, Burnhouse Mains, by Stowe.
- 1040 Tweedie, Miss Mary, Borthwick Mains, Fushielbridge.
 Urquhart, Adam, Advocate, Edinburgh.
 Veitch, Mrs. Mary, Ainslie Place, Edinburgh.
- Walker, Miss Christian, Eastercash, Strathmiglo.
 Walker, Henry West, Writer, Auchtermuchty.
- 1045 Walker, John, Executor of the late, Aberdeen.
 Walker, John, Cabinetmaker, Executors of the late, Glasgow.
 Walker, William, Wood Merchant, Strathaven.
 Wallace, Thomas, 58 Nicolson Street, Edinburgh.
- *Walrond, Theodore, of Calderpark, Merchant, Glasgow.
- 1050 Walsh, Charles Frederick, Gunmaker, Perth.
 Waterston, John, Land Surveyor, Perth.
 Watson, James, Trustees of the late, Banker, Glasgow.
 Watson, Rev. James, Manse of Tarland.
 Watson, John, New Scone.
- 1055 Watt, Miss Janet, Hart Street, Edinburgh.
 Wauchope, Andrew, Edinburgh.
 Wauchope, Mrs. Eliza, Moray Place, Edinburgh.
 Webster, John, Advocate, Aberdeen.
 Webster, Robert, Haberdasher, Glasgow.
- 1060 Webster, William, Baker, Aberdeen.
 *Weddell, James, Merchant, Edinburgh.
 Wedderburn, Mary, Inveresk Lodge, Musselburgh.
 Wedderspoon, David, Farmer, Masterfield, Dunning.

- Weir, Mrs. Elizabeth, Brown's Place, Prestonkirk.
- 1065 Weir, Matthew, W.S., Edinburgh, Executrix of the late.
Wemyss, Robert, Union Bank, Edinburgh.
Westwood, James, Farmer, Gatherlies, Dunning.
Westwood, William, Farmer, Upper Dalreoch, Dunning.
White, Adam and Mrs. Fanny, Newington, Edinburgh.
- 1070 White, Rev. Adam, Harray, Orkney.
White, James, Royal Terrace, Edinburgh.
White, Peter, Accountant, Glasgow.
Whitehead, John, Executors of the late, Glasgow.
Whitehead, Robert, 34 Bothwell Street, Glasgow.
- 1075 Whitson, Thomas Hunter, of Parkhill, Blairgowrie.
Whyte, George, Land Surveyor, Brigend, Longside.
*Whyte, William, Merchant, Glasgow.
Wilkie, James, Accountant, Edinburgh.
Wilkie, Margaret Binnie, Trustees for, Glasgow.
- 1080 Wilson, Misses Agnes and Elizabeth, Huntly.
Wilson, Miss Elizabeth, Moffat.
Wilson, George, Dunsroft, Gartly.
Wilson, James, Trustees of the late, Bannockburn.
Wilson, James, Schoolmaster, Redgerton.
- 1085 Wilson, Miss Jane, Moffat.
Wilson, Mrs. Sarah, St. Fergus.
Wingate, John, Executors of the late, Clothier, Glasgow.
Wood, Robert P., and Spouse, Trustees for, Glasgow.
Wright, H. G., and late Spouse, Trustees for, Glasgow.
- 1090 Wright, James, of Lawton, by Coupar-Angus.
Wright, John, Tanner, Crieff.
Wright, Miss Margaret, residing at Largs.
Wyer, Mrs. Jane, Trustees for, Vernham.
Wyer, Rev. Thomas R., and his Wife Mrs. Jane, Marriage
Trustees of the, Peebles.
- 1095 Wyld, Roger, Executors of the late, Manufacturer,
Glasgow.
Wyld, Thomas, Manufacturer, Glasgow.
Wylie, Alexander, Trustees of the late, Lennoxtown.
Wylie, Thomas, of Airleywright, by Bankfoot.
Wylie, David, Cashier, Union Bank of Scotland, Aber-
deen.
- 1100 Wyllie, James, Bookseller, Aberdeen.
- Yeats, William, of Arquharney.
- *Young, Alexander, Methven Street, Perth.
Young, A. T. and M. J., Trustees for, Glasgow.
Young, David, Union Bank of Scotland, Edinburgh.

- 1105 Young, Miss Ellen Fenton, Logiealmond Manse, Perthshire
Young, Miss Jessie, do. do.
Young, John, Ardrossan.
Young, John, Surgeon, Dunning.
Young, Robert, Ardrossan.
1110 Young, Robert, Farmer, Bellyelone, Madderty.
Young, Thomas, Farmer, Findoney, Dunning.
Young, William, Banker and Writer, Auchterarder.
1113 *Young, William, 6 Finch Lane, London.

UNION BANK OF SCOTLAND.

20TH APRIL, 1858.

HEAD OFFICES,

GLASGOW—INGRAM STREET.

EDINBURGH—PARLIAMENT SQUARE.

BRANCHES.	AGENTS.
ABERDEEN	DAVID WELLS, Cashier
ABERFELDY	GEORGE RANKIN
ABERLOUR	WM. STUART
ALLOA	THOMAS BRIDIE
ALVA	WM. COWAN
AUCHTERARDER	WM. YOUNG
AUCHTERMUCHTY	ROBERT PLAFFAIR
AYR	HUNTERS & Co.
BALLATER	GEO. HAYNES
BANCHORY	JOHN MALCOLM
BANFF	JAMES RUST
BARRHEAD	MATTHEW ANDERSON
BATHGATE	J. MARSHALL & M. K. BUYERS
BEITH	WM. LOVE
BLAIR ATHOLE	A. STEWART
BLAIRGOWRIE	WM. S. SOUTAR
BOTHWELL	JOHN CLARKE
BRECHIN	GORDON & LAND
BRIDGE OF ALLAN	DUNCAN STEWART
BUCKIE	ALEX. DRENNER
CASTLE-DOUGLAS	RICHD. HEWAT
COATBRIDGE	ROBERT HENDERSON
COUPAR-ANGUS	WM. BETT
CRIEFF	L. & J. GIBSON
CULLEN	WM. L. TAYLOR
DALKEITH	JAMES GRIEVE
DALRY (KIRKCUDBRIGHT)	JAMES BARDOUR
DOUNE	ALEX. MITCHELL
DUMBARTON	ROBT. BUCHANAN
DUMFRIES	J. JACKSON & J. SYMONS
DUNDEE	WM. CHRISTIE
DUNELAND	JOHN LESLIE
DUNKELD	M. LAWSON
DUNNING	JOHN MILLAR
DUNOON	A. M. TOUCH
EDINBURGH (GEORGE STREET)	JAMES GUTHRIE
EDZELL	JAMES PETRIE
ELGIN	GEORGE F. RAEHURN
ELLON	THOS. ROGERS KINMONT
ERROL	JOHN CRAN
FOCHABERS	WM. LOWSON
FORFAR	GEORGE WALLACE
FRASERBURGH	JOHN HENDRIE
GALSTON	W. S. SUTHERLAND
GATEHOUSE	WALTER ANDREWS
GIRVAN	

BRANCHES.	AGENTS.
GLASGOW (ANDERSTON)	JOHN McKENDERICK
DO. (COWCADDENS)	B. D. STRANG
DO. (TRADESTON)	ANDY GRAY
DO. (TRONGATE)	GEORGE RENTON
GREENOCK	ANDREW ANDERSON
HELENSBURGH	WM. DRYSDALE
HUNTLY	RT. & JAS. MILNE
INNERLEITHEN	JAMES D. PATTERSON
INVERARY	Q. M. WRIGHT
INVERURY	ROBT. INNES
IRVINE	ALEX. & JN. PATTERSON
JOHNSTONE	JOHN HOLMES
KEITH	ROBT. GREEN
KILLIN	A. McCALLUM
KILMARNOCK	ROBERT & JAMES CAIRNBER
KINCARDINE	ROBERT GENTLE
SINCLAIRGIE (TOUGH)	MACRAY & S. SMITH
KIRKCALDY	JNO. N. McLEOD
KIRK WALL	ROBERT SCAGGS
KIRKMUIR	WILKIE & BLACK
LEITH	JOHN A. WHITE
LERWICK	F. G. BRUCE
LESLIE	WM. EDLA
LOCHCELLY (FIFESHIRE)	JNO. WRIGHT
LOCHGILPHEAD	HUGH McLEVIN
LUMSDEN	DAVID THOLSON
MACDUFF	ALEX. A. LEASK
MARYHILL	HUGH KIRKWOOD
MAYBOLE	WM. RENNIE
MOFFAT	JAMES J. FURNIE
MONIAIVE	WM. SMITH
MONTROSE	FINDLAY & GREIG
NEILSTON	M. ANDERSON
NEW PITSLIGO	SINCLAIR CATHCART
PAISLEY	JOHN ABBEY
PEEBLES	JOHN BATHGATE
PERTH	D. CRAIGIE, Cashier
PETERHEAD	A. & W. FORD
PITLOCHRIE	JAMES MITCHELL
PORT-GLASGOW	PETER SIMPSON
PORTSOY	PETER MURRAY
ROSEHEARTY	JAMES SHINN
SELKIRK	PETER ROOPER
STEWARTON	ALEXANDER & DEANS
STIRLING	JOHN R. MACVICAR
STRANRAER	DAVID GUTHRIE
STRATHAVEN	WM. GIBBS
TARBERT (LOCHFANE)	ARCHD. McCALMAN
TARLAND	ANDREW ROSS
THORNHILL	DAVID CRICHTON
TILLCOUNTRY	JOHN KIRK
TROON	RT. C. REID
TURRIFF	WM. PIRIE
WICK	ALEXANDER WATERS

APPENDIX IV.C.

LIST OF SHAREHOLDERS WITH LIST OF BRANCHES, 1885.

The Shareholders marked () are qualified by their Shares to be elected
Chairman, Deputy-Chairman, Extraordinary Directors, and Ordinary
Directors.*

LIST OF SHAREHOLDERS.

8th MAY, 1885.

10.	Abernethy, James, the late. Founder, Ferryhill, Aberdeen.
150	*Adam, Stephen, 11 Hillside Crescent, Edinburgh.
25	Adams, Prof. David Laird, B.D., Victoria Park, Trinity, Edinburgh.
5	Adams, Miss Ellen, Chief Secretary's Lodge, Phoenix Park, Dublin.
20	Adamson, Mrs. Mary, 7 Fife Street, Banff.
10	Adie, Mrs. Agnes, Thornhill House, Orkney.
75	Aitken, John, Assistant Manager, Union Bank of Scotland, Limited, Glasgow.
30	Aitchison, George, care of Robert Aitchison, Dirleton, Drem.
30	Aitchison, William, Jun., Linhope, Hawick.
170	Aitchison, William, Executors of the late, Linhope, Hawick.
10	Aitken, David, Executors of the late, Aberdeen.
10	Aitken, James, Union Bank of Scotland, Limited, Braemar.
25	Aitken, Miss Jane W., Teacher, Back Street, Dalkeith.
30	Alexander, Hugh, Irvine.
35	Alexander, John, 35 North Hanover Street, Glasgow.
10	Alexander, John, Merchant, Kilmarnock.
90	Alexander, Mrs. Margaret, Glen Eden Villa, Dalnair.
35	Allan, Andrew, Union Bank of Scotland, Limited, Glasgow.
10	Allan, George G., Royal Bank of Scotland, Inverness.
35	Allan, James, Grain Merchant, Bo'ness.
5	Allan, James A., 126 Renfield Street, Glasgow.
14	Allan, Robert, Edenshead, Strathmiglo.
15	Allan, Robert W., Avon House, 32 Steel's Road, Haverstock Hill, London, N.W.
50	Allan, Mrs. Jane Cassels, or, 5 Magdala Crescent, Edinburgh.
10	Allan, Miss Harriet Mary, 21 Albert Drive, Crosshill, Glasgow.
150	*Anderson, Charles William, 9 Curain Place, Edinburgh.
30	Anderson, Francis, Trustees of late, Edinburgh.
5	Anderson, George, Executors of the late, Benwell, Old Deer.
10	Anderson, James F., 137 St. Vincent Street, Glasgow.
20	*Anderson, James W. H., of Bourhouse, Dunbar.
30	Anderson, John, Denham Green, Trinity, Edinburgh.
33	
1427	

1.427		
10		Anderson, John, Stone and Slate Merchant, Macduff.
75		Anderson, John and Francis, Trustees for the firm of, W.S., Edinburgh.
10		Anderson, Laurence, Wester Cartmore, Lochgelly.
100	35	*Anderson, Mathew, Writer, Glasgow.
20		Anderson, Mathew D., 17 John Street, Glasgow.
20		Anderson, Robert R., A.R.S.A., 19 St. Andrew Square, Edinburgh.
45		Anderson, Rev. Thomas D., M.A., D.Sc., 21 East Claremont Street, Edinburgh.
30		Anderson, William Boyd, Writer, 137 St. Vincent Street, Glasgow.
10	40	Anderson, Mrs. Anne, at Miss Wolston's, Glenfall, Weston-super-Mare.
8		Anderson, Mrs. Jacobina, 4 Grosvenor Crescent, Kelvinside, Glasgow.
250		Anderson, Mrs. Louisa D., Ainslie House, Edinburgh.
5		Anderson, Miss Annie A., Baley Farm, Fordyce, Banffshire.
30		Anderson, Miss Annie T., Oaklea, Langside.
650	45	Anderson, Miss Barbara H., Exceutrix of the late, Edinburgh.
650		Anderson, Miss Christina, 24 Moray Place, Edinburgh.
20		Anderson, Miss Helen, 9 South Mansion House Road, Edinburgh.
10		Annau, James, Sub-Distributor of Stamps, Hamilton.
50		Arbuckle, John, Baker, Kilmarnock.
20	50	Archibald, William, Union Bank of Scotland, Limited, Glasgow.
5		Archibald, Mrs. Elizabeth, Leslie Cottage, Broomhouse, Glasgow.
75		Arnott, Rev. Henry, Bussage Vicarage, Stroud.
20		Arthur, Rev. Alexander, 5 East Albert Street, Leith.
25		Aspin, William Williamson, Coltsgate Hill, Ripon.
5	55	Austin, Robert, 49 Dunlop Street, Glasgow.
10		Aytoun, John P., Manufacturer, Kirkcaldy, in trust.
50		Babington, Lieut.-Col. William, Lathallan, Colinsburgh.
5		Baillie, William S., Stromness.
10		Baillie, Miss Georgina, and Wm. S. Baillie, Stromness, and the survivor.
20	60	Baillie, Mrs. Margaret, Heathcot, by Aberdeen.
55		Baillie, William Robert, W.S., Exceutrix of the late, Edinburgh.
75		Bain, Alexander, Church Street, Cromarty.
55		Bain, Gilbert, 3 Mayfield Terrace, Edinburgh.
50		Bain, Miss Enga, 3 Mayfield Terrace, Edinburgh.
10	65	Baird, Alexander, 112 Peel Terrace, Glasgow.
30		Baird, Mrs. Elizabeth, Howard Street, Kilmarnock.
20		Balfour, Alexander, Designer, Viewbank Cottage, Dunfermline.
20		Balfour, David Davidson, Sheriff-Substitute, Glasgow.
4.130		

4.130		
30		Balfour, George, Merchant, High Street, Jedburgh.
10 70		Balfour, Robert, Muttonhall, Kirkcaldy.
20		Balfour, Miss Janet, Viewbank Cottage, Dunfermline.
20		Balfour, Miss Mary, Viewbank Cottage, Dunfermline.
145		*Balmain, Michael, National Bank of Scotland, Limited, Glasgow.
100		Balmain, Miss Janet and Miss Elizabeth, 33 Hope Terrace, Edinburgh, or survivor.
24 75		Bankier, Mrs. Agnes, care of Alexander Slean, C.A., Glasgow.
1.005		*Barbour, George F., 11 George Square, Edinburgh.
50		Barclay, George, 17 Coates Crescent, Edinburgh.
10		Barclay, John, M.D., Banff.
5		Barclay, Miss Mary C., Carriden Girls' School, Bo'ness.
45 80		Barr, William B., 1 Queen Mary Place, Queen Mary Avenue, Crosshill, Glasgow.
100		*Barstow, Charles M., C.A., 32 India Street, Edinburgh.
5		Bartlet, Mrs. Barbara B., Eden Home Farm, Banff.
50		Bateman, Benjamin A., Stanley Cottage, Birkheads Road, Reigate.
10		Bayne, William, Executrix of the late, Flesher, Denning.
40 85		Begg, Rev. Bruce B., Abbotshall, Kirkcaldy.
30		Begg, Hugh A., 34 Argyle Street, Glasgow.
300		*Beilby, Julius Henry, 10 Clarendon Crescent, Edinburgh.
30		Beith, Mrs. Jessie Douglas, Seaview House, 13 Devonshire Place, Brighton.
10		Bell, John, 176 Allison Street, Govanhill, Glasgow.
20 90		Bell, Quintin, 10 Westbourne Gardens, Glasgow.
10		Beil, Robert, Kirk Street, Campbelltown.
30		Bell, Thomas, Craigkennoch Terrace, Burntisland.
50		Bell, Mrs. Catherine M., Sunnyside, Paisley.
15		Bennet, Mrs. Isabella, 38 Narrowgate Street, Alnwick.
10 95		Bennett, Gilbert N., National Bank of Scotland, Limited, Anderston, Glasgow.
27		Bernard, Mrs. Matilda, wife of Rev. Henry M. Bernard, English Church, Moscow.
30		Bertram, Charles, 56 Albany Street, Edinburgh.
60		Bertram, Mrs. Margaret, 8 Lynedoch Place, Edinburgh.
10		Bertram, Miss Isabella, 8 Lynedoch Place, Edinburgh.
25 100		Beveridge, Michael, Beechwood, Kirkcaldy.
50		Beveridge, Miss Elizabeth, Wemyssfield, Kirkcaldy.
170		Beveridge, Misses Isabella T. S. and Jane, 8 Spence Street, Edinburgh, and the survivor.
25		Beveridge, Miss Jane, Wemyssfield, Kirkcaldy.
20		Bishop, Frederick Clark, 65 Old Broad Street, London, E.C.
20 105		Bishop, Thomas, Banker, Montrose, for Trustees of Frederick and Ann Clark, of Woodside, Coupar-Angus.
170		*Black, Adam Wm., 19 Atholl Crescent, Edinburgh.
10		Black, Alex. D. M., W.S., 28 Castle Street, Edinburgh.
150		*Black, Charles B., care of A. & C. Black, Publishers, Edinburgh.

7.071

7.971

100

75

20

25

20

20

5

10

10

15

5

30

13

20

505

145

50

50

100

25

400

10

5

28

30

30

30

110

5

10

17

100

5

85

5

60

40

110

5

85

5

60

40

115

9.284

- *Black, Francis, Redwood, Spylaw Road, Edinburgh.
 110 Black, James, Executor of the late, Edinburgh.
 Black, James Mackie, Solicitor, Kirriemuir.
 Black, John R., M.D., Greenock.
 Black, John, Solicitor, Greenock.
 Black, Mrs. Eliza Mary Gilmour, or, wife of George H. Black, Solicitor, Greenock.
 115 Black, Mrs. Margaret B., Fountainhall Road, Aberdeen.
 Black, Mrs. Mary, 83 Great King Street, Edinburgh.
 Blackadder, Mrs. Anne B., care of Mrs. Hossack, Grove House, Bonnington, Edinburgh.
 Blackhall, James, Union Bank of Scotland, Limited, Fraserburgh.
 Blackie, David, St. Mary's Isle, Kirkcudbright.
 120 Blackwell, Samuel, the late, 10 Monteith Row, Glasgow.
 Blackwood, Mrs. Anne, and Misses Jessie P. and Agnes, Springbank, Newton Mearns, and the survivors and survivor.
 Blair, Robert, British Linen Co., Galston, Judicial Factor under Transfer by the now deceased William Dalgleish, Allanton, Galston.
 *Blair, Robert, Confectioner, Edinburgh.
 Blatch, Rev. Fred. R., and spouse, Homerton, near London, Marriage Trustees of.
 125 Blyth, Miss Eliza, 1 Hilldrop Road, London, N.
 Boa, Robert, Ironmonger, Biggar.
 *Bogue, Robert Alexander, Clothier and Hatter, Glasgow.
 Bolitho, Richard P., Ponsandane, Penzance.
 *Bolton, Joseph C., of Carbrook, M.P., 27 West George Street, Glasgow.
 130 Bonthrone, William, Union Bank of Scotland, Limited, Helensburgh.
 Booth, Miss Serena B., the Judge's House, Stafford.
 Borrowman, Robert, Hay Cottage, Gilmerton.
 Borthwick, James, Callander.
 Borthwick, John J. M., and spouse, Billholm, near Langholm, for behoof of their children.
 135 Boswell, Miss Sibella, Coromandel, Lansdowne Road, Bournemouth.
 *Bowie, Mathew, 5 Bienenheim Place, Edinburgh.
 Bowie, Mrs. Elizabeth S., 19 Herriet Street, Pollokshields.
 Boyack, Miss Jessie, Radernie, Cupar-Fife.
 Boyd, James B., Crichton Street, Coatbridge.
 110 *Boyd, Sir Thomas Jamieson, Edinburgh.
 Boyd, Thomas John, M.A., 27 Spring Gardens, Edinburgh.
 Boyd, Mrs. Cath. W., Trustee of, Burntisland.
 Boyle, Mrs. Margaret M., 5 Albion Crescent, Dowanhill, Glasgow.
 Braid, Andrew, Coats Hill, Blantyre.
 Broad, James, and spouse, Marriage Trustees for, Glasgow.

9.284		
220		*Brand, William B. M., Captain, H. M. 93rd Regiment.
30		Brett, John, 16 Trafalgar Terrace, Great Yarmouth.
80		Bridges, Mrs. Jane Mary, Belfield House, Musselburgh.
170		Brooke, Arthur B., Executrix of the late, Cardney, Dunkeld.
20	150	Brooke, Captain Harry V., Lickleyhead Castle, Inch, Aberdeenshire.
10		Brough, Peter, Dundas House, Comrie, Perthshire.
5		Brown, John, Merchant, 31 Craigs, Stirling.
40		Brown, John S., Trustees of the late, Edinburgh.
10		Brown, Robert, Trustees of the late, Aberdeen.
20	155	Brown, William, Executrix of the late, Crief.
375		*Brown, Captain William, Ainslie House, Edinburgh.
20		Brown, Mrs. Agnes, and Archibald J. Hood, Kirm, and the survivor.
20		Brown, Mrs. Marion, Bells Mills House, Edinburgh.
25		Brownlee, James, 23 Burnbank Gardens, Glasgow.
10	160	Bruce, Robert, Accountant, Commercial Bank of Scotland, Limited, Forfar.
10		Bruce, Mrs. Elsie, Ashley Terrace, Aberdeen.
10		Bruce, Mrs. Isabella, wife of Charles Bruce, Draper, Wick.
10		Bruce, Miss Jessie, 15 Dublin Street, Edinburgh.
15		Bryden, Mrs. Elizabeth and Miss Anne Gow, 61 Camp Street, Lower Broughton, Manchester, jointly and the survivor.
110	165	*Brydie, Thomas, Agent, Union Bank of Scotland, Limited, Alloa.
50		Bryson, William G., Factor, Cullen House, Cullen.
60		Buchan, James, St. Leonard's Bank, Perth.
40		Buchan, Miss Agnes, Tweedgreen Cottage, Peebles.
840		*Buchanan, Francis C., Clarinish, Row, Helensburgh.
737	170	Buchanan, John, Executors of the late, Edinburgh.
850		*Buchanan, John Young, 10 Moray Place, Edinburgh.
1.000		*Buchanan, Thomas R., M.P., 10 Moray Place, Edinburgh.
60		Buchanan, Miss Elizabeth, 6 Albert Terrace, Morningside, Edinburgh.
55		Buckley, Arthur D. B., Lieut., 37th Regiment of Foot, care of Cox & Co., Craig's Court, London.
40	175	Buik, John H., West Park, Wick.
15		Buist, Miss Isabella, Netherlea, Hamilton.
15		Buist, Miss Jane, Executors of the late, Hamilton.
30		Bulkeley, Mrs. Christina Beattie, Glasgow.
20		Burdou, Mrs. Marianne, The Manse, Lasswade.
2	180	Burgess, Rev. William, Ardalie, by Mintlaw.
170		*Burnett, James C., of Monboddo, Fordoun, Kincairdineshire.
170		Burnett, Stuart M., Balbithan House, Inverurie.
50		Barnie, David Jardine, Moffat.
60		Barnie, James J., Executors of the late, Moffat.
27	185	Burns, Mrs. Jane, and children of the late Archibald Burns, Photographer, Edinburgh, Trustees for.
15		Barr, Miss Grace, 1 Rosebery Terrace, Glasgow.

14.640

14. 640

12

18		Barton, Mrs. Katharine, 12 Morningside Park, Edinburgh.
20		Barton, Miss Mary Elizabeth, Trustees for, Edinburgh.
10		Barton, Miss Mary, Liberton Bank, Edinburgh.
64	190	Butter, Albert, Cashier, Union Bank of Scotland, Limited, Perth.
20		Butter, Rev. James, St. Michael's Vicarage, Coventry.
50		Caird, Francis G., 8 Torphichen Street, Edinburgh, in trust.
35		Callender, Miss Ann, 27 Gray Street, Newington, Edinburgh.
10		Cameron, Donald C., Cuchullin Lodge, Inverness.
60	195	Cameron, Duncan, Merchant, Kinloch Rannoch, Pitlochry.
8		Cameron, Hardinge H., Ceylon Civil Service, Kalutara, Ceylon.
15		Cameron, Hugh, Chapel Street, Aberfeldy.
25		Cameron, John C., Rose Earn, Crieff.
5		Cameron, Mrs. Grace, Stronmilchan Cottage, Dalnally.
5	200	Cameron, Miss Catherine, 144 West Graham Street, Glasgow.
5		Cameron, Miss Elizabeth, 144 West Graham Street, Glasgow.
10		Cameron, Misses Margaret E. and Grace, James Cottage, Crieff.
3100		* Campbell, Colin, of Colgrain, Camis Eskan, Helensburgh.
40		Campbell, Rev. Duncan, Executors of the late, Moulin.
95	205	Campbell, J. A. and Mrs., Inverawe, Argyle, Marriage Trustees of.
50		Campbell, Lieut.-Col. James, 61st Regiment of Foot, Executors of the late.
20		Campbell, John, Craigie Park Villa, Perth.
5		Campbell, John, Merchant, Inveraray.
10		Campbell, Thomas, Croftness, Aberfeldy.
35	210	Campbell, Captain William, Executrix of the late, Hartfield, Helensburgh.
30		Campbell, Major William, 6 Barony Street, Edinburgh.
25		Campbell, Mrs. Jane, Manse of Monzievaird, Crieff.
20		Campbell, Misses Catherine and Margaret, Fishill Cottage, Dunoon, and the survivor.
10		Campbell, Miss Isabella, 41 Heriot Row, Edinburgh.
15	215	Campbell, Miss Margaret, Ruthven Cottage, Auchterarder.
5		Cant, Matthew P., 45 Eccles Road, Lavender Sweep, Clapham Junction, Surrey.
10		Carlton, Charles, Airlie Lodge, Leven.
50		Carphin, George, Executrix of the late, Edinburgh.
50		Carriek, John, 6 Dalry Park Terrace, Edinburgh.
10	220	Caskie, William A., M.A., B.M., 17 Main Street, Largs.
30		Caw, Miss Anne, 1 Hill Square, Edinburgh.
275		* Chalmers, David, Redhall, Slateford.
50		Chalmers, James, of Westburn, Aberdeen.
20		Chalmers, James, Executrix of the late, Auchtermuchty.
20	225	Chalmers, James K. and spouse, Marriage Trustees of, Edinburgh.
<hr/>		
13,955		

18,955

20		Chalmers, Mrs. Katherine Jane, Edin Holme, Spylaw Road, Merchiston, Edinburgh.
17		Chalmers, Miss Barbara, New Mains, Errol.
10		Chalmers, Miss Catherine C., 9 Bonnington Terrace, Edinburgh.
41		Chancellor, Mrs. Katharine Elizabeth, Edinburgh.
50	230	Chaumette, Thomas A. de la, and spouse, Marriage Trustees of, London.
50		Cheyne, Mrs Jane, Main Street, Turriff.
20		Chisholm, Miss Elizabeth, 77 Bon-Accord Street, Aberdeen.
50		Christie, William, Agent, Union Bank of Scotland, Limited, Dunblane.
10		Christie, Mrs. Helen, Montreal Villa, Crieff.
10	235	Clapperton, Thomas, Gorebridge.
50		Clapperton, Miss Grace, Linden Lee, Trinity Road, Edinburgh.
5		Clark, George, 53 Hutcheon Street, Aberdeen.
20		Clark, John, Abbeyview House, Bridge of Allan.
45		Clark, John, Hillside, Bothwell.
100	240	*Clark, Robert, 42 North Hanover Street, Edinburgh.
250		*Clark, Thomas, 38 George Street, Edinburgh.
15		Clark, Mrs. Julia, 20 Kelvingrove Street, Glasgow.
10		Clark, Miss Elizabeth Bow, Thorndale, Deany.
50		Cleland, Alexander, 246 Main Street, Anderston, Glasgow.
30	245	Cochrane, Mrs. Grace, Academy Street, Stranraer.
20		Cochrane, Miss Helen, Elmbank, Galashiels.
20		Cochrane, Miss Isabella, Elmbank, Galashiels.
10		Cofsey, Mrs. Agnes, 7 Cliftonville Avenue, Belfast.
135		Cogan, Miss Mary Ann E. C., 7 Abbotsford Park, Edinburgh.
10	250	Colquhoun, William, Photographer, Alexandria.
9		Colvin, Mrs Margaret, Castle-Douglas.
40		Combe, George J., the late, Engineer, 34 Dundas Street, Glasgow.
60		Cook, Charles, 17 Golden Square, Aberdeen.
20		Cook, Miss Elizabeth Hill, 2 Marischal Street, Aberdeen.
10	255	Cooper, Alex. H., W.S., 51 Castle Street, Edinburgh.
45		Copland, Harry Yeatman Danbuz, 27 Stafford Street, Edinburgh.
10		Copland, John, Teacher, Kilwinning.
300		*Cowan, Charles, Westerlea, Edinburgh.
100		Cowan, Cuthbert, Executors of, Hartley, Ayr.
50	260	Cowan, David, C.E., Mount Gerold House, Falkirk.
135		*Cowan, John, Stoneleigh, Greenock.
175		*Cowan, John, of Beeslack, Milton Bridge, Midlothian.
5		Cowan, William, Union Bank of Scotland, Limited, Alva.
345		*Cowan, William, 4 Wellington Square, Ayr.
100	265	*Cowbrough, Robert, 45 Bentinck Street, Glasgow.
20		Cowper, William, Broad Street, Kirkwall.
100		*Cox, Rev. Joseph Mercer, 7 Dix's Fields, Exeter.

21,527

21.527		
350		*Crabbie, John, 22 Royal Terrace, Edinburgh.
10		Craig, Alexander, Townhead, Kinghorn.
100	270	*Craig, William, Solicitor and Bank Agent, Dumfries.
15		Craig, Mrs. Elizabeth, the late, Bruce Road, Pollokshields, Glasgow.
180		Craigie, Mrs. Isabella, Athole Crescent, Perth.
20		Cram, Mrs. Mary, Bridge Street, Dollar.
20		Crawford, Donald, Advocate, Edinburgh.
10	275	Crawford, Donald, 18 Melville Street, Edinburgh, in trust.
35		Crawford, John Knox, S.S.C., Portobello.
60		Crawford, William Caldwell, 1 Lockbarion Gardens, Slateford.
10		Crawford, Mrs. Catherine, wife of James Crawford, Dunning.
20		Crawford, Mrs. Jessie, care of William Crawford, Writer, Bridgend, Perth.
10	280	Crawford, Miss Margaret, 10 Alloway Place, Ayr.
90		Crawford, Col. Archibald, 16 Leven Terrace, Edinburgh.
250		*Crichton, David, Agent, Union Bank of Scotland, Limited, Thornhill.
50		Crichton, Miss Eliza, 3 Rosemount Terrace, Maxwelltown, Dumfries.
50		Croall, David, Executors of the late, Liberton, Edinburgh.
13	285	Cromarty, Fred. D., Union Bank of Scotland, Limited, St. Margaret's Hope.
45		Crooks, William, 50 Albany Street, North Leith.
20		Crowder, Mrs. Anna Maria, 1 Hailes Street, Gilmore Place, Edinburgh.
16		Cruikshank, John, M.D., 148 Norwood Road, Lower Norwood, London. S.E.
10		Cruikshank, Miss Margaret B., Woodland Cottage, Fergue.
100	290	*Crum, Alex., of Thornliebank, M.P., Merchant, Glasgow.
20		Cullen, Miss Janet, 2 Westbourne Gardens, Glasgow.
10		Cumming, David, of Blackhill, Parkhead, Glasgow.
50		Cumming, John, Executors of the late, Birsay, Orkney.
40		Cummings, Michael, Druggist, Alloa.
15	295	Cunningham, Andrew, Craigend, Ferry Road, Edinburgh.
75		Cunningham, Caras D., 50 Queen Street, Edinburgh.
100		*Cunningham, Charles J., Morebattle Tofis, Kelso.
15		Cunningham, George, 35a King Street, Cheapside, London.
10		Cunningham, James, Royal Bank of Scotland, Edinburgh.
15	300	Cunningham, John Thomas, Surgeon-Dentist, 41 Lauriston Place, Edinburgh.
10		Cunningham, Miss Agnes T., 18 Graham Street, Edinburgh.
10		Cunningham, Miss Anne, 13 Graham Street, Edinburgh.
50		Curr, Henry, Pickellany House, Muthill, Perthshire.
500		*Currie, Adam, 4 Renfrew Street, Paisley.
100	305	*Currie, James, Merchant, Leith.
70		Currie, Misses Margaret A., Eliza I., and Jessie H., Rosebery Terrace, Glasgow, in trust.
5		Cuthbert, James, Grocer, Hilltown, Dundee.
24,106		

24.106		
30		Cuthbertson, John, 1 Randolph Place, Edinburgh.
21		Dakyns, Henry G., 3 Upper Belgrave Road, Clifton, Bristol.
50	210	Dalgety, Mrs. Mary, Executrix of the late, Edinburgh.
35		Darling, Patrick S., Solicitor, Kelso.
35		Davidson, Alexander, Advocate, Aberdeen.
60		Davidson, Andrew, of Percy, Writer, Perth.
20		Davidson, George, Executors of the late, Cullen.
10	215	Davidson, James, Union Bank of Scotland, Limited, West- End, Aberdeen.
140		*Davidson, William, Drumley, Tarbolton, Ayr.
10		Davidson, Miss Ann, Cairnhill, Tarves.
10		Dawson, Ebenezer, Jun., Glenesk, Dalkeith.
50		Dayton, Robert P., Hotel Keeper, Lochearnhead.
50	320	Dean, Alex. D., Balgray House, Kelvinside, Glasgow.
5.500		*Dennistoun, Alexander, of Golfhill, Glasgow.
15		Dennistoun, Alexander, of Golfhill, Glasgow, in trust for Miss Mary Dennistoun.
15		Dennistoun, Alexander, of Golfhill, Glasgow, in trust for Miss Augusta Caroline Georgina Dennistoun.
15		Dennistoun, Alexander, of Golfhill, Glasgow, in trust for Miss A. E. O. Dennistoun.
15	325	Dennistoun, Alexander, of Golfhill, Glasgow, in trust for Miss C. M. L. Dennistoun.
2.010		Dennistoun, Robert, Trustees of the late, Glasgow.
10		Dewar, John N., 41 Lauder Road, Edinburgh.
15		Dewar, Miss Jessie, Perth Street, Blairgowrie.
15		Diack, James, 20 Main Street, Turriff.
150	330	*Dick, Robert, Greenhead, Glasgow.
30		Dick, William, Inspector of Poor, Kirknewton, Midlothian.
10		Dickie, Thomas, Auchencrain, Park Road, Hamilton.
30		Dickson, David, 10 South St. Andrew Street, Edinburgh.
50		Dickson, John, 8 Inverleith Row, Edinburgh.
20	335	Dickson, Mrs. Janet, 56 Albany Street, Edinburgh.
5		Dinwoodie, Robert, Union Bank of Scotland, Limited, Glasgow.
110		*Dishington, Thomas, Lark Villa, Laverock Bank Terrace, Trinity, Edinburgh.
5		Dobie, John, Teller, Union Bank of Scotland, Limited, Trongate, Glasgow.
20		Dobson, Miss Maria, Prospect House, Haraby, Bedale, Yorkshire.
20	340	Dodds, Rev. James, D.D., Corstorphine.
200		*Donald, Colin Dunlop, Writer, Glasgow.
60		Donald, Thomas, Writer, 196 Bath Street, Glasgow.
55		Donald, Miss Marianne, care of James Dunlop, of Clyde, Glasgow.
35		Donald, Miss Matilda M., 200 Bath Street, Glasgow.
10	345	Donaldson, Misses Marion and Henrietta, Peebles, jointly, and the survivor.
10		Dorward, Mrs. Agnes, Abbotsford Road, Galashiels.

33.057

33,057

20		Douglas, Archibald, Balcamey, Dailly.
10		Douglas, Miss Isabella, care of James S. Dickson, 170 Hope Street, Glasgow.
250		*Dowie, Peter, Merchant, Mitchell Street, Leith.
10	350	Downie, Andrew, jun., 11 Roxburgh Street, Greenock.
15		Downie, James, 2 Kenmure Terrace, Leven Street, Pollok-shields.
10		Downie, Robert, Union Bank of Scotland, Limited, Glasgow.
10		Drake, John H., 47 George IV. Bridge, Edinburgh.
65		Drake, Mrs. Eliza A., 15 Hart Street, Edinburgh.
50	355	Drummond, Rev. James, Freefield, Clackmannan.
6		Drummond, James W., Stirling.
11		Drummond, Mrs. Henrietta, Kilmeny Manse, Islay.
30		Drummond, Misses Annie R., Mary E., and Isabella S., 1 Bellevue Street, Edinburgh, and survivors and survivor.
22		Drummond, Miss Helen J., 7 East Castle Road, Merchiston, Edinburgh.
35	360	Drysdale, Thomas B., C.A., 3 Hart Street, Edinburgh.
35		Drysdale, William, Executors of the late, Edinburgh.
40		Drysdale, Miss Anne B., 3 Hart Street, Edinburgh.
25		Drysdale, Miss Christina A., Kilrie, Kinghorn.
10		Drysdale, Miss Isabella, 21 North Mansion House Road, Edinburgh.
10	365	Drysdale, Miss Janet, 21 North Mansion House Road, Edinburgh.
300		Dudgeon, John, Trustees of the late, Queensferry.
20		Dudgeon, Major Robert C., General Prison, Perth.
10		Duff, Alexander, Balnattaylor, Ballinluig.
10		Duff, Rev. David, LL.D., Edinburgh.
20	370	Duff, David, Executors of the late, Pitlochry.
50		Duff, Robert, 1 Mound Place, Edinburgh.
10		Duff, Miss Anne, Pitlochry.
10		Duff, Miss Isabella, Pitlochry.
10		Dunbreck, Miss Katharine, Terriotside House, Hawick.
30	375	Dunbar, William, Union Bank of Scotland, Limited, Turriff.
10		Dunbar, Miss Mary, care of William Dunbar, Union Bank of Scotland, Limited, Turriff.
5		Duncan, John, the late, and spouse, Aberdeen, Marriage Trustees of.
10		Duncan, John, Trustees of the late, Aberdeen.
50		Duncan, John, M.D., 8 Ainslie Place, Edinburgh.
100	380	*Duncan, William, of Danevale, 1 Heriot Row, Edinburgh.
70		Duncan, William, S.S.C., 18 York Place, Edinburgh.
10		Duncan, Miss Janet, Parkfoot, Denny.
2		Duncan, Miss Maggie, Church Terrace, Turriff.
10		Duncombe, John T., Union Bank of Scotland, Limited, Ayr.
10	385	Duncombe, Robert A., at Rose, Munison & Thomson's, 22 Royal Exchange Square, Glasgow.
20		Dundas, Mrs. Robina Mary, of Craigroyston, near Edinburgh.
33		Dunlop, George, W.S., 20 Castle Street, Edinburgh.

33,511

3,511

13

Dunlop, George, W.S., 20 Castle Street, Edinburgh, and
Miss Margaret S. Darling, 64 Northumberland Street,
Edinburgh.

10

Dunlop, William H., South Lodge, Ayr.

30

390 Dykes, Thomas, Executors of the late, Maybole.

5

Easton, David, the late, Aberdeen.

10

Easton, William, Merchant, 17 St. Vincent Lane, Glasgow.

5

Easton, William, Stobbsmills, Gorebridge.

20

Eaton, Mrs. Elizabeth, Queen's Road, Rubislaw, Aberdeen.

40

395 Edinburgh Booksellers' Society, Limited.

20

Elder, Miss Mary, 3 South-West Circus Place, Edinburgh.

40

Elliott, Mrs. Ellen, 3 Lonsdale Terrace, Edinburgh.

45

Elliott, Misses Jessie, Wilhelmina, and Helen, 33 Gilmore
Place, Edinburgh, equally, and the survivors and
survivor.

100

*Elphinstone, Hon. Edward C. B., Carnock House, Larbert.

15

400 Espie, Miss Jane, Dollar.

250

*Ewing, H. E. Crum, of Strathleven, Merchant, Glasgow.

20

Ewing, William C., 12 Monteth Row, Glasgow.

45

Fairbairn, Miss Helen, Executrices of the late, Edinburgh.

10

Falconer, George, Mason Centre, New Hampshire, U.S.A.

40

405 Farquharson, Miss Jane S., of Whitehouse, Aberdeenshire.

5

Faulds, Robert, 4 Ann Street, Hillhead, Glasgow.

10

Ferguson, Robert B. W., Union Bank of Scotland, Limited,
Glasgow.

5

Ferguson, Mrs. Eliza, Duff Street, Macduff.

40

Ferguson, Mrs. Emma M., of Raith, Kirkealdy.

30

410 Ferguson, Mrs. Janet, Drumwhandie Cottage, Crieff.

5

Ferguson, Mrs. Margaret, wife of Archibald Ferguson, Black-
smith, Inveraray.

7

Fergusson, David Scott, Agent, Union Bank of Scotland,
Limited, Dundee.

42

Fergusson, Henry, Merchant, Pitlochry.

25

Fergusson, Thomas, Manager, Manchester and Liverpool
District Bank, Limited, London, E.C.

8

415 Fielding, Miss Jane G., 4 Great King Street, Edinburgh.

10

Findlay, Robert, Executrix of the late, Glasgow.

5

Finlayson, Miss Catherine, West Third of Rottearns, Braco.

20

Fleming, David, Surgeon, 3 Charlotte Street, Perth.

20

Flett, Mrs. Graham, Stromness, and Mrs. Margaret Peacc,
1 Kilmaurs Road, Edinburgh, and the survivor.

3

420 Flett, Mrs. Mary Anne, wife of James F. Flett, Ironmonger,
Kirkwall.

657

*Forbes, Alex. Reginald, University Club, Edinburgh.

150

*Forbes, Charles William, of Sandicotes, Parkstone, Dorset.

15

Forbes, Donald, Chapel Street, Aberfeldy.

170

Forbes, Edmund B., care of Union Bank of Scotland,
Limited, Edinburgh.

3,356

36356		
91	425	Forbes, George, 4 Coates Crescent, Edinburgh.
130		*Forbes, James Arthur, Commander, R.N., Berwick-on-Tweed.
20		Forbes, John, Palmerston Villa, Millburn Road, Inverness.
120		Forbes, Mrs. Alicia, 4 Coates Crescent, Edinburgh.
50		Forbes, Miss Alice, 4 Coates Crescent, Edinburgh.
30	430	Forbes, Miss Alice, 7 Manderhill Place, Manchester Square, London, W.
55		Forbes, Miss Christina F., 10 Chanonry, Old Aberdeen.
10		Foreman, James, Westfield, Aylth.
80		Forrest, William, 17 Archibald Place, Edinburgh.
60		Forrester, John, 29 Windsor Street, Edinburgh.
20	435	Forsyth, Andrew, 16 Oakfield Terrace, Hillhead, Glasgow.
10		Fortune, Robert, Chemist, Anstruther.
100		*Fowler, Archibald, Castle Kennedy, Stranraer.
25		Fox, Rev. Samuel W. D., 49 Bedford Gardens, Kensington, London.
10		Fradgley, John A., Manager, Union Bank of Scotland, Limited, London.
50	440	Frame, Thomas, 40 Royal Exchange Square, Glasgow.
50		Fraser, Charles, 13 Greenhill Place, Edinburgh.
4		Fraser, David, Post Office, Elion.
20		Fraser, The Hon. Lord, 8 Moray Place, Edinburgh.
20		Fraser, Thomas, M.A., East Grange, Forres.
30	445	Fraser, Mrs. Clara, 89 Belgrave Road, London, S.W.
5		Fraser, Mrs. Isabella, Misses Isabella R. and Annie M., 53 Bon-Accord Street, Aberdeen, and survivors and survivor.
30		Fraser, Mrs. Margaret Anne, 8 Moray Place, Edinburgh.
100		*Frew, William, 19 Melville Street, Perth.
30		Frith, Mrs. Mary, Welby Rectory, Grantham.
300	450	*Gairdner, Charles, General Manager, Union Bank of Scotland, Limited, Glasgow.
50		Gairdner, C. D., Executors of the late, Auchans House, Dundonald.
50		Gairdner, C. D., Trustees under Deed of Settlement of the late, Dundonald.
30		Gairdner, David C., Banker, Kilmarnock.
100		*Gairdner, William, Dalblair House, Ayr.
200	455	Gairdner, Mrs. Agnes, of Airlie, Victoria Park, Ayr.
360		*Galbraith, Archibald, Manufacturer, North Court, Royal Exchange, Glasgow.
45		Galbraith, James, Farmer, Townfoot, Dumbartonshire.
77		Galloway, Mrs. Janet, 13 Hope Park Terrace, Edinburgh.
10		Galloway, Miss Agnes, Executrices of the late, Edinburgh.
10	460	Garden, James, Executors of the late, Aberdeen.
50		Garden, Robert, North Ythsie, Tarves, Aberdeenshire.
30		Gardiner, Patrick, of Rottenrains, Braco.
40		Gardner, John H., 2 Ford Place, Greenock.
30		Garland, Miss Margaret, Turriff.

39488

39.482

20	465	Geddes, Andrew David, Lieut.-Col., Royal Inniskilling Fusiliers.
15		Geddes, George H., and spouse, Marriage Trustees for, Edinburgh.
25		Gellatly, Rev. Robert, Executors of the late, West Teft, Stanley, Perth.
10		Gemmell, Miss Mary, Holmwood, Ardenadam.
140		Gentle, Mrs. Margaret P., Kincardine, in liferent, and others in fee.
50	470	George, John, Executors of the late, Keith.
20		Gerhardt, Charles J., 132 Rue de Faubourg St. Denis, Paris.
50		Gibb, Gavin, Accountant, Union Bank of Scotland, Limited, Ayr.
8		Gibb, Miss Laura M., Bridgend House, Bervie.
50		Gibson, John, W.S., Trustees of the late, Edinburgh.
70	475	Gibson, Mrs. Jane Ross, or, 7 Priestfield Road, Edinburgh.
100		*Gifford, The Hon. Lord, Granton House, Edinburgh.
100		*Gifford, John, 4 Marchmont Terrace, Edinburgh.
25		Gilchrist, Daniel, of Ospisdale, Trustees of the late.
30		Gilchrist, Dr. James, Lenwood, Dumfries.
10	480	Gilchrist, James, Executrix of the late, Invergordon.
70		Gilchrist, Miss Agnes J., Executrices of the late, Edinburgh.
115		Gilchrist, Miss Elizabeth, 33 East Claremont Street, Edinburgh.
92		Gilchrist, Miss Marion, 33 East Claremont Street, Edinburgh.
60		Gillespie, Mrs. Barbara A., Castle Douglas.
20	485	Gillies, James, 22 George Street, Edinburgh.
25		Gillies, Miss Mary Ann, care of H. W. Cernillon, S.S.C., Edinburgh.
150		*Gilmour, John B., 4 Eton Terrace, Hillhead, Glasgow.
100		*Gilmour, John, Mount Vernon, Row.
20		Gilmour, Robert S., 9 Forsyth Street, Greenock.
20	490	Gilmour, Miss Margarita R. A., Underwood, Helensburgh.
20		Girdwood, Mrs. Helen, 13 George Street, Leith.
35		Girvan, Robert, Surgeon, Maybole.
20		Gladding, John, Jun., 28A Paternoster Square, London, E.C.
10		Glennie, Donald G., Union Bank of Scotland, Limited, Dundee.
10	495	Gloag, David, 1 Royston Terrace, Edinburgh.
20		Gloag, William Brown, 24 Athole Street, Perth.
40		Gold, Andrew, Grainsbank, by Kirkwall.
20		Goldie, George A., 13 Melville Street, Edinburgh.
30		Goldie, Miss Isabella, Eskbank, Dalkeith.
20	500	Goodall, James, Union Bank of Scotland, Limited, Glasgow.
10		Goodall, William, Cowgate, Errol.
20		Goodsman, Miss Margaret Kinmonth, New Scone, Perth.
5		Gordon, Rev. Alexander, Executrix of the late, Forglie, Barffshire.
5		Gordon, Andrew, Assistant Manager, Union Bank of Scotland, Limited, London.

41.108

41.108

- 10 505 Gordon, George, 44 Union Street, Aberdeen.
 10 Gordon, James, Cuparstone Lodge, Aberdeen.
 80 Gordon, Robert Gray, Clifton House, Liverpool Road, Norbiton, Kingston-on-Thames.
 35 Gordon, William, Clifton House, Liverpool Road, Norbiton, Kingston-on-Thames.
 100 *Gordon, William Robert, 5 Abercromby Place, Edinburgh.
 5 510 Gordon, Mrs. Louisa, wife of George Gordon, Land Valuator, Elgin.
 19 Gordon, Mrs. Louisa, Trustees under Trust Conveyance by, Elgin.
 50 Govane, Robert S., and spouse, Marriage Trustees of, Helensburgh.
 20 Gow, Alex., sen., Pittagowan, Blair-Athole, and Alex. Gow, jun., Sergeant, Army Service Corps, and the survivor.
 10 Gow, Alexander, Pittagowan, Blair-Athole.
 50 515 Cowans, Charles William, Newton of Budgate, Cawdor, Nairn.
 300 *Graham, Andrew, M.D., 207 Piccadilly, London, W.
 40 Graham, George, 97 South Marchmont Road, Edinburgh.
 8 Graham, John A., 7 Woodburn Terrace, Morningside, Edinburgh.
 60 Graham, Thos. McEwan, Union Bank of Scotland, Limited, Dundee.
 65 520 Graham, Thomas P., and spouse, of Airth, Marriage Trustee of.
 20 Graham, William, Union Bank of Scotland, Limited, Edinburgh.
 5 Graham, Miss Sarah, 27 Queen Street, Edinburgh.
 5 Grant, David R. L., Executors of the late, Aberdeen.
 20 Grant, Hugh, Bootmaker, Golspie.
 10 525 Grant, Peter, Banker, Fortrose.
 5 Grant, Peter H., 3 Wolsley Terrace, Parson's Green, Edinburgh.
 30 Grant, Mrs. Ann F., 6 Granville Place, St. George's Road, Glasgow.
 10 Grant, Miss Elizabeth J., Schoolhouse, Fetterangus, by Mintlaw.
 10 Grant, Miss Isabella J., 30 Howard Place, Edinburgh.
 30 530 Gray, George, Ironmonger, Dalkeith.
 170 *Gray, James, Banker, Dalkeith.
 120 *Gray, John, Secretary, Union Bank of Scotland, Limited, Glasgow.
 40 Gray, John, Roeberry, South Ronaldshay.
 20 Gray, John, Roeberry, South Ronaldshay, in trust.
 20 535 Gray, William, Watchmaker, Mid-Calder.
 10 Gray, Mrs. Catherine Mitchell, or, 1 Eton Gardens, Hillhead, Glasgow.
 100 Gray, Mrs. Elizabeth Young, or, Benvoirlich House, Auchtermuchty.
 10 Gray, Misses Isabella and Margaret, Dalfauld House, Kirn.
 50 Gray, Misses Margaret D., and Isabella M., 118 High Street, Dalkeith.

42705

42,705

- 30 540 Green, James M'Innes, Vernham, Corstorphine.
 10 Green, John, 21 Forth Place, Stirling.
 5 Greenlees, Alfred E., Seafield, Campbeltown.
 10 Greenshields, Mrs. Catherine, Darnhall Mains, Eddieston,
 Peeblesshire.
 25 Greenway, Mrs. Helen Margaret M'Intyre, or, Burghersdorp,
 Cape of Good Hope; John Archibald M'Intyre and
 Elizabeth Harrison M'Intyre, 24 Lutton Place, Edin-
 burgh; Henrietta M'Intyre, Burghersdorp; and And-
 rienne Alexandra M'Intyre, 24 Lutton Place, Edinburgh,
 equally.
 35 545 Gregory, Miss Eliza Jane, Allan Bank, Corstorphine.
 10 Greig, William, Merchant, Bridge-of-Don, Aberdeen.
 50 Greig, Mrs. Jessie T., 18 Lynedoch Crescent, Glasgow.
 20 Grierson, Mrs. Anne, Oak Villa, Minister's Brae, Rothesay.
 5 Grieve, Mrs. Jane, Executor of the late, Moffat.
 30 550 Grieve, Mrs. Mary J. Burnie, or, 18 Station Road, Dalbeattie.
 50 Groundwater, Peter, Executors of the late, Kirkwall.
 100 *Geland, William, M.D., Lomondside, Falkland.
 5 Gunn, Angus, Union Bank of Scotland, Limited, Glasgow.
 15 Gunn, Mrs. Janet L., Langley Lodge, Wick.
 70 555 Gunn, Miss Emilia, 28 Coates Gardens, Edinburgh.
 100 Haig, James Alexander, Executors of the late, Stagehall,
 Stow.
 20 Halcro, George, Draper, Stromness.
 25 Hale, Miss Constance E. B., Eridge House, Fulham, London.
 200 Halkett, Miss Adelaide F., 14 Rothesay Place, Edinburgh.
 10 560 Halley, Andrew, Millhole, Logiealmond.
 10 Hally, Mrs. Jane C., 22 Queen's Road, Aberdeen.
 15 Hamilton, Archibald, New Dock Works, Govan.
 20 Hamilton, James, 19 Wilson Street, Glasgow.
 50 Hamilton, James W., Executrix of the late, Edinburgh.
 30 565 Hamilton, Mathew, Trustees of the late, Cheltenham.
 20 Hamilton, Miss Anne, Tweedview, Kelso.
 5 Hampton, Miss Mary Anne, Dublin.
 30 Hankey, William S., 4 Woodburn Terrace, Morningside,
 Edinburgh.
 65 Hannan, Henry M. and spouse, Marriage Trustees for,
 Glasgow.
 190 570 *Hannan, James, 17 Woodside Terrace, Glasgow.
 10 Hannan, Mrs. Janet D., Glasgow.
 170 Hannan, Miss Elizabeth, Partick, and others, Trustees for.
 138 Hannan, Miss Margaret R., 17 Woodside Terrace, Glasgow.
 4 Hardie, Mrs. Isabella Kinnaird, or, Newtown, Leslie.
 75 575 Hare, Lieut.-Col. James, Philipstown House, Winchburgh.
 120 Harley, Miss Ann and Miss Jane, Auchtermuchty.
 5 Harold, Miss Elizabeth, St. Margaret's Hope, Orkney.
 15 Harp, Miss Elizabeth, 1 East Albert Street, Easter Road,
 Edinburgh.

44,302

44,302

- 5
5
5
20
5
200
260
140
30
300
130
50
20
20
20
20
14
50
110
60
250
340
10
50
20
85
40
18
5
135
25
32
112
150
52
5
5
450
250
30
200
- Hart, John, Writer, Airdrie.
580 Hart, Miss Helen, High Street, Dunblane.
Hart, Miss Mary, High Street, Dunblane.
Harvey, Mrs. Jane Cochrane, or, Brook Villas, Wittington,
near Manchester.
Hastings, James, 33 Bairnshall Lane, Woodside, Aberdeen.
Hay, Sir Adam, Executor of the late, of Haystoun, Bart.
585 *Hay, Sir Robert, of Smithfield and Haystoun, Bart.
Hay, Mrs. Femina Huddleston, or, Rabbit Hall, Portobello.
Hay, Mrs. Margaret, Executor of the late, Edinburgh.
Hay, Miss Adelaide, 8 Glencairn Crescent, Edinburgh.
Heddie, John, 5 Abbey Street, Norton Park, Edinburgh.
590 Heggie, John, 406 Govan Street, Glasgow.
Henderson, Alexander Baird, Inspector of Branches, Union
Bank of Scotland, Limited, Glasgow.
Henderson, Hugh, Rectory, Lanark.
Henderson, James, H. M. Inspector of Factories, Glenval,
Pollokshields; Miss Alice Mary Henderson, residing there,
and John Wm. Cruickshank, Elrick, Summerhill, Aber-
deen, jointly, and the survivors and survivor.
Henderson, John, 35 East Mill Street, Perth.
595 Henderson, John, Bank Buildings, Youghal.
Henderson, William G., Union Bank, Liverpool.
Henderson, Mrs. Jeanie T. Fingland, or, Glasgow.
Henderson, Miss Janet, 3 Hartington Gardens, Edinburgh.
*Hendry, Daniel, Merchant, Kirkcaldy.
600 *Henry, John, S.S.C., 29 Rutland Square, Edinburgh.
Hepburn, Charles, Merchant, Kinross.
Herbertson, John Thomas, Port Dundas, Glasgow.
Hercus, William, Mount, Woodwick, Evie, by Kirkwall.
Herdman, James, of Coltbridge House, Murrayfield, Edin-
burgh.
605 Herdman, James, of Coltbridge House, Murrayfield, Edin-
burgh, as Factor for Trustees of John Herdman.
Heron, Gilbert, High Street, Kirkcaldy.
Heslop, Mrs. Mary, Longate Street, Peterhead.
*Hewat, Captain John, care of Union Bank of Scotland,
Limited, Leith.
Hewit, Miss Anne, 22 Comely Bank, Edinburgh.
610 Hicks, Edward R., Executrix of the late, Torquay, Devon.
*Hill, George W., Cashier, Union Bank of Scotland, Limited,
Glasgow.
Hill, R. & J. M., Trustees for, Writers, Glasgow.
Hogarth, John, Fairview, Kirkcaldy.
Hogarth, Mrs. Christian, Fairview, Kirkcaldy.
615 Hogarth, Miss Julia, Fairview, Kirkcaldy.
*Hoggan, Andrew, Writer, Glasgow.
Hoggan, Andrew, Trustees for wife and family of, Glasgow.
Hoggan, Edward, and spouse, Trustees of, Liverpool.
*Hoggan, John, Stock and Share Broker, Glasgow.

47,990

- 47,990
 10 620 Hoggan, Misses Jessie and Helena E. M., Camphill, Glasgow.
 4 Hood, John, Union Bank of Scotland, Limited, Perth.
 30 Hope, Mrs. Elizabeth H., Benlee, Port-Glasgow.
 440 Horne, Donald, Trustees of the late, Edinburgh.
 40 Horne, Edward William, of Strickoke, Wick.
 10 625 Horne, Henry S., Acting Adjutant, R.A., care of Horne &
 Lyell, W.S., Edinburgh.
 150 Horne & Lyell, W.S., Edinburgh, Trustees for.
 160 Horne, Thomas E. O., Executors of the late, Edinburgh.
 115 *Horne, Thomas, W.S., Edinburgh.
 40 Horne, Miss Alice Mary, Trustees for, Strickoke, Wick.
 20 630 Hosenson, Thomas W., 4 Bellevue Terrace, Edinburgh.
 10 Hosenson, Mrs. Elizabeth White, or, 4 Bellevue Terrace,
 Edinburgh.
 20 Hossack, Robert C., Grove House, Bonnington, near Edin-
 burgh.
 15 Howatson, Robert, Farmer, Derniemow, Glenluce.
 30 Hull, William, 15 Bridge Street, Glasgow.
 10 635 Hull, Miss Sarah E., 8 Morningside Bank, Edinburgh.
 18 Hunter, Joseph, Grocer, Kirkcaldy.
 35 Hunter, Patrick, Farmer, Ardgath, Perth.
 25 Hunter, Mrs. Jane S., care of James Morton, Union Bank of
 Scotland, Limited, Downie Place, Edinburgh.
 10 Hunter, William, Schoolhouse, Beyndie, by Banff.
 37 640 Hunter, Mrs. Janet, Camphill Quadrant, Langside.
 30 Hunter, Miss Percy E., The Corran, Lochgilphead.
 20 Hutchison, Rev. George, D.D., Banchory Ternan.
 90 Hutchison, Thomas, Glendevon House, Dollar.
 40 Ingram, Miss Ann, 18 Church Terrace, Turriff.
 10 645 Innes, Thomas, 3 West Maitland Street, Edinburgh.
 2 Innes, William, Union Bank of Scotland, Limited, Edin-
 burgh, in trust.
 50 Innes, Mrs. Jane, Dunbar House, Enniskillen.
 10 Innes, Mrs. Margaret M., Trustee under Trust Disposition
 by, Edinburgh.
 15 Inverness, Ross, and Nairn Club, Trustees for, Edinburgh.
 20 650 Irvine, James, Gamkeeper, Dupplin, near Perth.
 2 Irvine, James, Jun., Dupplin, near Perth.
 4 Irvine, Rev. James S. W., South Ronaldshay, Orkney.
 10 Irvine, Robert, and Samuel Irvine, Booksellers, Kilmarnock,
 jointly, and the survivor.
 150 *Irvine, William Stewart, M.D., Craigatin, Pitlochry.
 10 655 Isdale, James, Executor of the late, Macepool, Ashburn.
 Co. Meath.
 10 Isdale, John, Executor of the late, Bridge of Earn.
 30 Isdale, Miss Elizabeth, Bellvue Cottage, Bridge of Earn.
 200 *Jackson, John E., 4 Maxwell Terrace, Pollokshields.
 10 Jackson, William, Port Allen, Errol.

40,902
 11

- 419.962
150 660 Jamie, David, 2 Ventnor Terrace, Newington, Edinburgh.
5 Jamieson, Andrew, C.E., F.R.S.E., Principal, College of
Science and Art, Glasgow.
778 Jamieson, James Auldjo, W.S., and George Dalziel, W.S.,
both of Edinburgh, and the survivor of them, in trust.
5 Jamieson, Mrs. Helen, Free Church Manse, Firth, Orkney.
6 Jardine, Rev. John, M.A., U. P. Church, Dumbarton.
51 663 Jardine, William McLeod, Union Bank of Scotland, Limited,
Glasgow.
10 Jardine, Miss Helen E. M., and Miss Mary G., 1 Waverley
Place, Norton Park, Edinburgh, and survivor.
5 Jenkins, George, Union Bank of Scotland, Limited, Inverness.
10 Jenkins, Robert, Union Bank of Scotland, Limited, Bridge of
Allan.
40 Jerdon, Mrs. Margaret, 35 Eastbourne Terrace, Hyde Park,
London, W.
100 670 *Johnston, James, M.D., The Hill, Creetown.
5 Johnston, James L., Union Bank of Scotland, Limited, Killin.
35 Johnston, William, Veterinary Surgeon, Roslin.
10 Johnston, William, Farmer, Tillysnaught, Savoch, Ellon.
20 Johnston, William, 1 Elphinstone Street, Kincardine.
10 675 Johnston, Miss Margaret L., 17 Chester Street, Edinburgh.
20 Johnstone, Robert, and Miss Elizabeth Boyle Johnstone, Dal-
quharran, Napier Road, Merchiston, Edinburgh.
24 Johnstone, Mrs. Jessie, wife of David J. Johnstone, Dumfries.
5 Keane, Rev. Thomas, 11 Wellfield Terrace, Glasgow.
20 Keith, Alexander D., B.M., Aboyne, by Aberdeen.
30 680 Keith, Miss Rachel, Executor of the late, Dalkeith.
5 Kemp, David R., Secretary, Union Bank of Scotland, Limited,
Edinburgh.
4 Kemp, Mrs. Jane B., wife of Rev. Robert Kemp, Blairgowrie.
40 Kemp, Mrs. Janet, Hawthornden, Crieff.
10 Kennedy, Alexander, Executor of the late, Ayr.
13 685 Kennedy, James, Brandye Cottage, Inverkindie, Strathdon,
Aberdeenshire.
20 Kennedy, Robert, Executors of the late, Riddings, Thornhill.
20 Kennedy, William, Riddings, near Thornhill.
10 Kennedy, William, Trustees of the late, Edinburgh.
10 Kennedy, Mrs. Janet, Cairnsmore Cottage, Midton Road, Ayr.
90 690 Kennedy, Mrs. Margaret M'Rae, or, Edinburgh, in liferent,
and John Kennedy in trust, in fee.
20 Kennedy, Miss Adelaide, 71 Great King Street, Edinburgh.
20 Kennedy, Miss Charlotte, 71 Great King Street, Edinburgh.
20 Kennedy, Miss Elizabeth, 71 Great King Street, Edinburgh.
10 Kennedy, Miss Janet, Riddings, near Thornhill.
100 695 *Ker, William, 27 West George Street, Glasgow.
50 Ker, Mrs. Jessie Allan, or, 1 Merchiston Bank, Edinburgh,
for behoof of herself and children.
30 Kerr, Captain George C., 21 Harold Terrace, Dover.

51.706

51.706

- 15 Kerr, James, North British Railway Goods Deliverer,
Earlston.
- 10 Kerr, Peter, Kingower Cottage, Burghmuir, Perth.
- 20 700 Kerr, Vice-Admiral Robert, R.N., care of J. N. Forman,
W.S., Edinburgh.
- 495 *Kidston, Charles, Merchant, 19 Queen Street, Glasgow.
- 495 *Kidston, Richard, 19 Queen Street, Glasgow.
- 10 Kilgour, George, Newton, Auchtertool, Kirkcaldy.
- 35 Kilgour, Mrs. Catherine Dempster, or, 25 Albert Place, Stir-
ling.
- 13 705 Kilpatrick, Miss Mary B., 16 Abbey Street, Paisley.
- 15 King, Miss Mary Ann, 3 The Avenue, Brondesbury, London.
- 10 Kinnmont, Thomas Rogers, Banker and Writer, Errol.
- 110 Kinnear, Charles, Tarsappie Cottage, near Perth.
- 10 Kinnear, Robert, Abernethy.
- 15 710 Kinnear, Mrs. Jane M., U. P. Church Manse, Dalbeattie.
- 20 Kinnear, Miss Marjory, Tarsappie Cottage, Perth.
- 100 Kirk, Mrs. Frances, 67 Ashmore Road, St. Peter's Park, Lon-
don, W.
- 10 Kirk, Miss Agnes, Kellie Place, Allea.
- 80 Kirk, Miss Margaret, Old Town, Dollar.
- 50 715 Kirkhope, John, William Kirkhope, and John Kirkhope, jun.,
Merchants, Edinburgh.
- 80 Kirkhope, John, William Kirkhope, and John Kirkhope, jun.,
individual partners of, and in trust for behoof of the firm
of John Kirkhope & Sons, Wine Merchants, Edinburgh.
- 10 Kirkland, Mrs. Anne Hope Patison, or, 29 Seton Place, Edin-
burgh.
- 20 Kirkland, Mrs. Anne Hope, 20 Seton Place, Edinburgh.
- 202 *Kirkwood, Anderson, LL.D., Writer, 145 West George
Street, Glasgow.
- 16 720 Kirkwood, Miss Agnes, 5 Windsor Place, Stirling.
- 16 Kirkwood, Miss Helen, 5 Windsor Place, Stirling.
- 30 Kirkwood, Miss Jane, 145 West George Street, Glasgow.
- 20 Klose, Mrs. Caroline Inglis, or, Trustee for the children of
the late, London.
- 2 Knox, Mrs. Jemima, 5 Broomhill Drive, Partick.
- 20 725 Laing, Alexander, Coachbuilder, Bon-Accord Street, Aber-
deen.
- 10 Laing, Mrs. Christina, and her children, Glenord, Spylaw
Road, Edinburgh, Trustees for.
- 20 Laird, Mrs. Mary Jane, 159 Greenhead Street, Bridgeton,
Glasgow.
- 10 Lamb, James D., Solicitor and Bank Agent, Nairn.
- 40 Lamb, Laurence, 35 Bath Street, Leith.
- 4 730 Lamb, Miss Elizabeth, 6 Hope Street, Edinburgh.
- 4 Lamb, Miss Isabella, 6 Hope Street, Edinburgh.
- 150 Lamont, Colin, jun., Executors of the late, Banker, Greenock.
- 95 Landale, Mrs. Christian M., Woodmill of Falkland.

53.928

53928

- Lang, Peter R. S., Professor of Mathematics, University of St. Andrews.
- 5 735 Lang, Mrs. Louisa L., 28 Northumberland Street, Edinburgh.
- 40 Langlands, Mrs. Alison C., Miss Agnes C. Arnot, and Miss Alexa Arnot, 22 Windsor Terrace, St. George's Road, Glasgow, and the survivors and survivor.
- 20 Langlands, Mrs. Janet, 9 Westbourne Terrace, Glasgow.
- 40 Lauder, David, 22 King Street, Kilmarnock.
- 40 Lauder, John, Dundonald Road, Kilmarnock.
- 80 740 Lauder, Miss Jessie M., 8 Mayfield Gardens, Newington, Edinburgh.
- 20 Laughton, William, Albert Street, Kirkwall.
- 10 Laurence, James, Lint Mill, Cullen.
- 5 Laurence, John, Laurence Villa, Auchterarder.
- 80 Law, David Smith, 67 Roslea Drive, Glasgow.
- 20 745 Law, John, Ironfounder, 26 Carrington Street, Glasgow.
- 60 Lawrie, John P., Captain H. M. 2nd Regiment of Foot, care of Cox & Co., Craig's Court, London.
- 22 Lawrie, Thomas, 11 Maxwell Street, Morningside, Edinburgh.
- 30 Lawson, Henry, Joiner, Dunning.
- 20 Lawson, John, Veterinary Surgeon, Dunning.
- 30 750 Lawson, William S., Camphill, Uddingston.
- 35 Lawson, Mrs. Elizabeth, Dunning.
- 65 Lawson, Mrs. Elizabeth, Dunning.
- 45 Laycock, George L., Physician, 12 Upper Berkeley Street, Portman Square, London.
- 55 Learmonth, John, Executors of the late, Edinburgh.
- 4 755 Lecky, James T., 3 Great Western Terrace, Kelvinside, Glasgow.
- 4 Lecky, Miss Mary, 3 Great Western Terrace, Kelvinside, Glasgow.
- 25 Lees, Mrs. Mary, Trustees of, Edinburgh, for behoof of Misses Haig and others.
- 25 Lees, Mrs. Mary, Trustees of, Edinburgh, for behoof of Mr. and Mrs. Stewart and others.
- 10 Leitch, Captain Malcolm, Hill of Camisail, Roseneath.
- 10 760 Leonard, James, Executrix of the late, Kirkwall.
- 50 Leslie, Miss Christina, and Miss Elizabeth Leslie, Edeanwood, Sutherland Terrace, Helensburgh, and the survivor.
- 20 Lesslie, Alexander, Drinkbetween, Kirkcaldy.
- 83 Lindsay, James, W.S., 110 George Street, Edinburgh.
- 20 Lindsay, Andrew, Ironmonger, Golspie.
- 50 765 Lindsay, David, Executrix of the late, Manachline.
- 40 Lindsay, George, 171 Constitution Street, Leith.
- 60 Lindsay, Miss Jane, 20 Forth Street, Edinburgh.
- 10 Lister, Thomas, Prinlaws, Leslie.
- 10 Lister, Mrs. Isabella, wife of Thomas Lister, Prinlaws, Leslie.
- 25 770 Lithgow, Miss Mary G., Trustees of the late, Glasgow.
- 20 Livingston, John, Brae of Cluny, Ballinalnig.

53928

55/23

27

- 50 Livingston & Weir, 7 Roxburgh Place, Edinburgh, Trustees
for behoof of the firm of.
- 10 Livingstone, John E., Executors of the late, Perth.
- 10 Livingstone, Miss Elizabeth, High Street, Kinross.
- 30 775 Lockhart, Mrs. Jane, Biggar.
- 50 Logan, James, 38 St. Vincent Crescent, Glasgow.
- 30 Logan, Mrs. Helen, 9 Dick Place, Grange, Edinburgh.
- 10 Logan, Miss Helen, 83 Great King Street, Edinburgh.
- 10 Logan, Miss Isabella, 83 Great King Street, Edinburgh.
- 10 780 Longmore, Andrew, Executors of the late, Rettie, Banff.
- 50 Love, Hugh Kerr, Hamillfield, Beith.
- 30 Low, John, 5 Barossa Place, Perth.
- 2 Low, John, Union Bank of Scotland, Limited, Ellen.
- 20 Low, Miss Margaret, 5 Barossa Place, Perth.
- 40 785 Lowe, John, Solicitor, Isla Mount, Coupar-Angus.
- 10 Lowe, Misses Catherine and Cecilia, Coupar-Angus, and
survivor.
- 2/10 *Lowson, John, jun., Manufacturer, Forfar.
- 10 Lowson, William, Writer and Banker, Forfar.
- 10 Ludwig, Charles, & Co., Shipbrokers, Aberdeen, and indi-
vidual partners.
- 150 790 *Lumsden, George, 30 Drumsheugh Gardens, Edinburgh.
- 100 Lyell, David, the late, 39 Castle Street, Edinburgh.
- 10 Lyle, Miss Janet, 265 Dumbarton Road, Glasgow.
- 50 Lyon, Miss Margaret, 23 Hercules Loan, Musselburgh.
- 55 Madden, Henry R., and spouse, Marriage Trustees of, Bath.
- 10 795 Mainland, John, Onziebust, Wyre, Orkney.
- 20 Mair, George, M.D., Staff Surgeon, R.N., care of Miss Agnes
Mair, Turriff.
- 200 *Malcolm, Walter, 12 Lansdowne Crescent, Edinburgh.
- 10 Malloch, Robert, 26 Union Street, Glasgow.
- 30 Mann, Charles, Saddler, Turriff.
- 10 800 Marr, Mrs. Margaret, Dundonald Road, Kilmarnock.
- 73 Marshall, James B., Luncarty.
- 10 Marshall, John, Draper, Campbelltown.
- 10 Marshall, Robert, 108 North Hanover Street, Glasgow.
- 25 Marshall, Mrs. Ann L., Miss Isabella Eadie, and Daniel
Eadie, 35 Regent Street, Greenock.
- 25 805 Marshall, Mrs. Janet, Stirling Arms, Dunblane.
- 10 Martin, Hugh, Executrix of the late, Perth.
- 50 Martin, James, Bank Agent, Macduff.
- 70 Martin, Rev. James, Minister of Findo Gask, Auchterarder.
- 50 Martin, John, Manufacturer, Dunning.
- 20 810 Martin, William Duff, care of James Martin, Bank Agent,
Macduff.
- 4 Marwick, Miss Margaret, Curquoy, Rousay, Kirkwall.
- 2 Mather, William, Buccleuch Street, Melrose.
- 3 Mather, Miss Hannah, Buccleuch Street, Melrose.
- 40 Mathers, Alexander, Woodlands, Partickhill, Glasgow.

56751

56,751		
50	815	Mathers, Alexander, Woodlands, Partickhill, Glasgow, and spouse and survivor.
20		Matheson, James, Druggist, Golspie.
10		Matheson, Mrs. Susan E., The Parsonage, Strathnairn.
20		Maxten, James, Muthill, Perthshire.
20		Maxwell, David, 13 Market Place, Forfar.
100	820	Maxwell, Francis, Executor of the late, Glasgow.
20		Maxwell, The Hon. Eleanor C., The Catholic Blind Asylum, Brunswick Road, Liverpool.
75		Meik, Misses Ann and Jane D., care of D. Scott Moncrieff, W.S., Edinburgh, and survivor.
60		Meldrum, Barclay F. G., jun., at Miss Campbell's, 52 Broughton Street, Edinburgh.
100		Melrose, John, Trustees of the late, Edinburgh.
40	825	Menzies, James, 65 Bridge Street, Wednesbury, Staffordshire.
30		Menzies, William, Keilator, Crianlarich, by Stirling.
50		Menzies, Mrs. Elizabeth, 2 Walker Street, Edinburgh.
100		Menzies, Miss Agnes Berry, 11 Albany Street, Edinburgh.
101		*Mercer, William, Rose Place, Earlston.
90	830	Merrilees, Robert, 19 Hope Street, Glasgow.
30		Meston, William, 50 Huntly Street, Aberdeen.
40		Methven, David, & Sons, Trustees for the firm of, Kirkcaldy.
20		Middlemiss, Joseph, 6 Dalrymple Crescent, Edinburgh.
20		Middleton, Miss Isabella P., 18 Grange Terrace, Edinburgh.
5	835	Mill, Charles John, Newton Villa, Kirriemuir.
10		Mill, Mrs. Ann, 27 Cairnie Street, Arbroath.
5		Mill, Miss Elizabeth, Newton Villa, Kirriemuir.
10		Millar, Mrs. Eliza Mary, 12 Bonnington Terrace, Edinburgh.
5		Miller, George, Farmer, Pitroddie, Errol.
60	840	Miller, George, C.A., 37 West Nile Street, Glasgow.
50		Miller, James, Trustees of the late, Edinburgh.
20		Miller, John Alexander, 3 West Newington, Edinburgh.
50		Miller & Richard, Trustees for, Edinburgh.
25		Miller, Robert, Executrix of the late, West-end, Govan.
5	845	Miller, William, Farmer, Kilspindie, Errol.
10		Milne, Alexander, Auchadrie, Ellon.
20		Milne, George, of Westwood, Aberdeen, in trust.
30		Milne, James, M.D., Agent, Union Bank of Scotland, Limited, Huntly.
70		Milne, James, Agent, Union Bank of Scotland, Limited, Helensburgh.
40	850	Milne, John Kolbe, Kevoek Tower, Lasswade.
10		Milne, Robert, Seafield Street, Portsoy.
11		Milne, Mrs. Catherine, Cathcart Street, Buckie.
45		Milne, Mrs. Jane, wife of Rev. Robert Milne, West Church, Perth.
5		Mitchell, Alexander, Union Bank of Scotland, Limited, Lerwick.
15	855	Mitchell, Rev. Alexander, D.D., North Church, Dunfermline.
195		*Mitchell, James, Banker and Writer, Pitlochry.

58,443

58,443

- 50 Mitchell, John, Distiller, Campbeltown.
 15 Mitchell, Robert, Union Bank of Scotland, Limited, Glasgow.
 100 * Mitchell, Robert, Grocer, Stevenston.
 10 860 Mitchell, Robert, Executors of the late, Campbeltown.
 20 Mitchell, William, 14 Knowe Terrace, Pollokshields.
 20 Mitchell, William, Union Bank of Scotland, Limited, Aberdeen.
 45 Mitchell, Mrs. Ann, 46 Buccleuch Street, Glasgow.
 40 Mitchell, Mrs. Elizabeth, 22 Windsor Street, Dundee.
 10 865 Mitchell, Mrs. Elizabeth, Dechmont, Uphall.
 10 Mitchell, Mrs. Marjory Paton, or, North Inchmichael, Errol,
 and John Mitchell, Farmer, there.
 10 Moffatt, John F., C.A., 42 Castle Street, Edinburgh.
 20 Moir, George, Knockhall, by Newburgh, Aberdeen.
 100 * Moncrieff, Alexander, W.S., Potterhill House, Perth.
 25 870 Moncrieff, David Scott, W.S., Edinburgh.
 10 Moncrieff, John Scott, C.A., Edinburgh.
 5 Moncrieff, Mrs. Mary E. Scott, care of D. Scott Moncrieff,
 W.S., Edinburgh.
 15 Moncrieff, Miss Emily Lucy, The Priory, St. Andrews.
 45 Monro, Mrs. Christina, Ghassellach Terrace, Oban.
 20 875 Monteath, Miss Elizabeth, Executor of, Perth.
 865 * Monteith, Joseph F., of Carstairs, Lanark.
 25 Montgomery, James, Junior United Service Club, Charles,
 Street, St. James', London.
 50 Montgomery, Very Rev. James F., D.D., 17 Athole Crescent,
 Edinburgh.
 50 Montgomery, Mrs. Mary Anne, 75 Canning Street, Liverpool.
 120 880 Montignani, William R., the late, and spouse, Marriage Trus-
 tees of, Edinburgh.
 5 Moore, Robert Thomas, 3 Woodland Terrace, Smithdown
 Road, Liverpool.
 5 Moore, Miss Margaret, care of Mrs. Grieve, Station Road,
 Dalbeattie.
 40 Morgan, Alexander, Greentree Cottage, Echt.
 20 Morgan, Colin, 33 Shamrock Street, Glasgow.
 20 885 Morgan, William, 39 Shamrock Street, Glasgow.
 15 Morham, George, 17 Findhorn Place, Edinburgh, for behoof
 of George R. Allison.
 20 Morham, John B., and Alex. H. Morham, Cherryhall, Cause-
 wayside, Edinburgh.
 20 Morham, Robert, Architect, 11 Royal Exchange, Edinburgh.
 10 Morham, Miss Helen F., 13 Lauder Road, Edinburgh.
 100 890 * Morice, Arthur David, Advocate, Aberdeen.
 50 Morison, Misses Eliza and Jane, Monifieth Road, Broughty
 Ferry, equally.
 30 Morrison, Adam, of Gartloch, Gartcosh, Glasgow.
 90 Morrison, Hector, Land Surveyor, Inverness.
 10 Morrison, Roderick, 250 Dumbarton Road, Glasgow.
 10 895 Morrison, Mrs. Annie M. W., 17 York Place, Edinburgh.
 15 Morrison, Mrs. Christiana, Executors of the late, Rothesay.

60,583

60,533

- 10 Morton, George, 104 West George Street, Glasgow.
 70 Morton, James, Union Bank of Scotland, Limited, Downie
 Place, Edinburgh.
 3 Mowat, George, Town and County Bank, Limited, Turriff.
 5 900 Mowat, John, Bank Agent, Lybster.
 5 Mowat, Mrs. Jessie, Lybster.
 15 Mowbray, John T., W.S., Edinburgh.
 158 Mowbray, Robert, Executor of the late, Leith.
 15 Mowbray, Thomas R., and spouse, Marriage Trustee for,
 Edinburgh.
 40 905 Muir, Peter, Bowmaker, Edinburgh.
 30 Muir, Robert S., Union Bank of Scotland, Limited, Edinburgh.
 15 Muir, Thomas S., 16 Albany Street, Leith.
 10 Muir, Miss Janet, Reform Square, Campbeltown.
 10 Muir, Miss Margaret, Main Street, Campbeltown.
 10 910 Munn, Miss Agnes, 18 Kelly Street, Greenock.
 10 Munro, Archibald, A.M., 18 Minto Street, Edinburgh.
 46 Munro, Robert, Merchant, Bathgate.
 30 Munro, William, Union Bank of Scotland, Limited, Dunoon.
 50 Murdoch, Alexander, Farmer, Gartnraig, Shettleston.
 29 915 Murray, David, Writer, 109 West George Street, Glasgow.
 115 Murray, James, Executors and Trustees of the late, London.
 10 Murray, John, Falkland Lodge, Campbeltown.
 9 Murray, John E., Union Bank of Scotland, Limited, Kirk-
 caldy.
 200 *Murray, Peter, Solicitor and Banker, Portsey.
 30 920 Murray, Robert R., Kenvale, Trinity, Edinburgh.
 80 Murray, William, Trustees of the late, Edinburgh.
 20 Murray, William George, some time Land Surveyor in Aber-
 deen, now in New Zealand.
 35 Murray, Mrs. Eliza M., Ardoch, by Dumbarton.
 10 Murray, Mrs. Isabella, Executors of the late, Leith.
 10 925 Murray, Miss Jessie J., 515 St. Vincent Street, Glasgow.
 100 MacAllan, Allan B., and spouse, Marriage Trustees of, St.
 Andrews.
 40 MacAllan, Allan B., W.S., 12 Hope Street, St. Andrews.
 20 MacAllan, Miss Jane L., care of A. B. MacAllan, W.S., 12
 Hope Street, St. Andrews.
 10 MacArthur, Robert, Borland, Gartmore.
 90 930 McArthur, Mrs. Elizabeth Forrest, or, Trustees of the late,
 Glasgow.
 5 McBain, William, care of G. Stevenson, 16 Union Terrace,
 Aberdeen.
 225 *McBeath, James M., Ironmonger, Kirkwall.
 75 McBeath, James M., Merchant, Kirkwall, and Mrs. Mary M.
 Robertson or McBeath, and the survivor.
 30 McBeath, Mrs. Isabella Mainland, or, Kirkwall.
 10 935 MacCallum, Charles, Distiller, Campbeltown.
 20 MacCallum, Duncan, Distiller, Campbeltown.

62,283

62.283

- 20 McCash, David, James Place, Cupar-Fife.
 20 McCheyne, Miss Elizabeth Mary, 13 Osborne Terrace, Edinburgh.
 100 *McClelland, Andrew S., C.A., 115 St. Vincent Street, Glasgow.
 20 940 McClelland, Miss Jane, Midsands House, Ayr.
 30 McComb, Thomas, 20 Queen Street, Glasgow.
 5 McCrie, William, Union Bank of Scotland, Limited, Pitlochry.
 10 McCulloch, Robert, Executors of the late, Pollokshields.
 25 McCurrah, Laurence, Dalrooch, Auchterarder.
 10 945 McCurrah, Mrs. Ann, Dalrooch, Auchterarder.
 50 McDonald, Archibald M., Advocate, Aberdeen.
 20 McDonald, Charles, Farmer, Killycharzie, Pitlochry.
 50 McDonald, John, Rockhill, Villa, Aberfeldy.
 70 MacDonald, John H. A., Advocate and Q.C., Abercromby Place, Edinburgh.
 330 950 MacDonald, Lieut.-Col. Norman, H. M. 5th Regiment, and spouse, Marriage Trustees for.
 35 McDonald, Robert, Farmer, Middle Bridge, Blair-Athole.
 15 McDonald, William Y., Union Bank of Scotland, Limited, Aberdeen.
 10 MacDonald, Mrs. Mary, 9 College Street, Glasgow.
 5 McDonald, Miss Margaret, care of Miss Elizabeth McDonald, Athole Street, Dunkeld.
 10 955 McDougal, George, Trustees of the late, Edinburgh.
 20 McDougal, Walter, 17 Barony Street, Edinburgh.
 30 McDougall, John Aimers, M.D., Carlisle.
 40 McDougall, Miss Margaret C. C., 2 Manor Place, Edinburgh.
 100 *McEachran, Charles, Belmont, Cambeltown.
 10 960 MEwen, James, Trustees of the late, Rosscarn, Comrie.
 10 MEwen, John, South Bridgend, Crieff.
 10 MEwen, Thomas, South Bridgend, Crieff.
 10 MEwen, Miss Margaret B., South Bridgend, Crieff.
 10 MEwing, Mrs. Elizabeth, Carnyle Avenue, Tollcross, Glasgow.
 8 965 Macfarlane, John, Invervack, Blair-Athole.
 5 Macfarlane, Rev. Robert M., Minister of Glenorchy, for behoof of his children.
 4 Macfarlane, Miss Annie, Invervack, Blair-Athole.
 4 Macfarlane, Miss Catherine, British Linen Coy. Bank House, Kingussie.
 4 Macfarlane, Miss Christina, Invervack, Blair-Athole.
 10 970 Macfee, James, Surgeon, Auchterarder.
 10 Macfee, John, M.D., 176 Commercial Road, London, E.
 10 McFie, James, 199 Sauchiehall Street, Glasgow.
 400 *McFie, John, 14 Hope Terrace, Whitehouse Loan, Edinburgh.
 35 McFie, John, 4 Washington Street, Glasgow.
 5 975 McGillivray, James, Shoemaker, Ellon.
 22 McGowan, William, Union Bank of Scotland, Limited, Aberlour.

63.975

63,975

- 10 MacGregor, Rev. John, 8 Rosebery Terrace, Glasgow.
 5 McGregor, John, 112 Main Street, Bridgeton, Glasgow.
 10 McIntosh, Finlay, Auchleeks, by Calvine.
 13 980 McIntosh, Miss Jessie, Merchant, Killin.
 10 McIntyre, Rev. Angus, and spouse, Marriage Trustee of,
 Kinloch-Spelvie, Argyll.
 0 McIntyre, Malcolm, Greenhead, by Dollar.
 50 MacIntyre, Peter M., Advocate, 12 India Street, Edinburgh.
 15 MacIver, Mrs. Catherine Nicolson, or, Stein, Skye.
 20 985 Mackay, Robert, Dungeyne House, Kirkintilloch.
 18 Mackay, Miss Jane, Trustees for, Stirling.
 10 MacKechnie, John M., B.L., and Jeanie MacKechnie,
 2 Florentine Place, Hillhead, Glasgow, in trust.
 20 Mackenzie, Edwin L., 122 Wellington Street, Glasgow.
 40 Mackenzie, James, Trustees of the late, Glasgow.
 25 990 McKenzie, John, 45 Minto Street, Edinburgh.
 250 *Mackenzie, John, 42 Macor Place, Edinburgh.
 40 McKenzie, John, 19 Church Street, Inverness.
 130 *MacKenzie, Walter, Accountant, Glasgow.
 5 McKenzie, Mrs. Catherine, Executrix of the late, Castleton
 of Braemar.
 30 995 MacKenzie, Miss Eliza, Prospect Villa, Lenzie.
 25 MacKenzie, Miss Isabella, Prospect Villa, Lenzie.
 5 McKenzie, Miss Margaret, 173 Skene Street, West, Aberdeen.
 120 *McKersie, John, Distiller, Campbeltown.
 15 Mackersie, Mrs. Rose A., 9 Newark Drive, Pollokshields.
 5 1000 Mackersie, Miss Ellen W., 9 Newark Drive, Pollokshields.
 65 Mackie, James Logan, 5 Dixon Street, Glasgow.
 10 Mackie, Mrs. Isabella Gray, or, 30 Prince Street, Peterhead.
 10 Mackie, Miss Margaret, care of Mr. Bruce, 258 Great Western
 Road, Aberdeen.
 50 MacKinlay, Miss Agnes, 30 Royal Terrace, Edinburgh.
 30 1005 MacKinnell, Miss Mary Ann, The Green, Closeburn.
 110 *MacKinnon, William, Chartered Accountant, Glasgow.
 35 MacKnight, James, Executors of the late, Edinburgh.
 24 MacLachlan, Mrs. Barbara Stewart, or, 37 Queen's Crescent,
 Edinburgh.
 40 McLaren, Colin, 21 Dundas Street, Conrie.
 20 1010 McLaren, David, Rydal House, Putney, London, S.W.
 5 McLaren, Duncan, Union Bank of Scotland, Limited,
 Tharbert.
 15 McLaren, James A., Innergellie House, Anstruther.
 480 McLaren, James, Executrix of the late, Innergellie House,
 Anstruther.
 40 MacLaren, John, Middleton, Thornhill, by Stirling.
 185 1015 *McLaren, Peter, Lieut.-Col., 74th Highlanders.
 50 McLaren, Peter, Merchant, Church Street, Buckie.
 26 McLaren, Rev. Samuel G., 20a Dick Place, Edinburgh.
 35 McLaren, William C., Executors of the late, Leith.
 10 McLaren, Mrs. Jessie Kinnear, or, Horsemiln, near Perth.

66,195

66.195

28

- 30 1020 McLaren, Miss Charlotte E., 31 Buckingham Terrace, Edinburgh.
- 30 MacLaren, Miss Mary, 1 Albion Place, Edinburgh.
- 10 MacLean, Donald, Banker, Paisley.
- 10 Maclean, Neil, Alex. Y. Peattie, and John Macintyre, all Writers in Glasgow, and the survivors and survivor, in trust.
- 10 McLean, William H., Surgeon, Portsoy.
- 10 1025 McLean, Mrs. Janet, Executrix of the late, Glasgow.
- 20 Maclean, Miss Dorothea M., 14 Gloucester Place, Edinburgh.
- 20 McLean, Miss Elizabeth, 18 Allanton Terrace, Govanhill, Glasgow.
- 10 McLean, Miss Elizabeth, 18 Allanton Terrace, Govanhill, Glasgow.
- 10 McLean, Misses Mary W. and Elizabeth, 39 Bentinck Street, Kilmarnock.
- 100 1030 *MacLehose, James, 18 Victoria Crescent, Dowanhill, Glasgow.
- 15 McLeish, John, Jessamine Cottage, Bonnyrigg.
- 50 MacLellan, P. & W., Ironmongers, Glasgow, and individual Partners, and survivor of them.
- 10 McLennan, William, 10 Forfar Road, Dundee.
- 20 McLennan, Mrs. Isabella M., 3 Admiral Terrace, Edinburgh.
- 5 1035 McLeod, James, Painter, 19 Woolmanhill, Aberdeen.
- 8 Macleod, Miss Agnes M., 20 Coates Gardens, Edinburgh.
- 54 MacLeod, Miss Grace, Aros, Row, Helensburgh.
- 17 MacLeod, Miss Jane M., Aros, Row, Helensburgh.
- 30 McLeod, Miss Margaret H., St. Duthus, St. Alban's Road, Edinburgh.
- 2 1040 MacLulich, John C., Writer, Inveraray.
- 20 MacMichael, Miss Elizabeth, Port Street, Palmackie, Dalbeattie.
- 40 McMillan, Alexander, Executor of the late, Aberfeldy.
- 160 *MacMillan, John, S.S.C., 39 York Place, Edinburgh.
- 45 McMillan, Mrs. Dorcas, 7 Victoria Buildings, Byars Road, Hillhead, Glasgow.
- 5 1045 McMurray, George, Portland Street, Troon.
- 11 McNab, Archibald, Clachig House, Killin.
- 210 *Macnab, John, Distiller, Glenmavis, Bathgate.
- 300 *Macnab, Robert Weir, Union Bank of Scotland, Limited, Dalbeattie.
- 10 McNair, William, Deptford Green Dock, Deptford, London, S.E.
- 10 1050 McNair, Mrs. Hannah, 75 Kent Road, Glasgow.
- 105 *MacNaught, Archibald, 4 West Blackhall Street, Greenock.
- 20 MacNaught, David C., Draper, Main Street, Coatbridge.
- 210 *MacNaughton, Donald, Harbour Head, Kirkealdy.
- 20 Macnaughton, Duncan, of Oatfield, Campbeltown.
- 10 1055 MacNaughton, John, Ladywell, by Dunkeld.
- 60 Macnee, Thomas, Greenbank, Partick.
- 44 McNish, Miss Janet, care of William McLeod Jardine, Union Bank of Scotland, Limited, Glasgow.

67.446

67.946
40
15

- McPherson, Alexander, Executrix of the late, Comrie.
MacQueen, John, and James MacQueen, Merchants, Nethy Bridge, Strathspey; Alexander MacQueen, Cedar Rapids, Nebraska, and Misses Isabella and Alexandrina MacQueen, Nethy Bridge, jointly, and the survivors and survivor of them.
- 30 1060 McQueen, Mrs. Maggie, wife of David McQueen, Baker, Kilmarnock.
- 20 Macrae, John, Solicitor, Kirkwall.
30 McTyer, Mrs. Janet, Redbrae, Maybole.
100 *MacWatt, David, Writer, Alloa.
20 McWhannell, John, Luss.
- 15 1065 Nairn, Robert, The Priory, Kirkcaldy.
100 *Nairn, William, Hermitage, Murrayfield, Edinburgh.
85 Nairn, Mrs. Catherine, St. Mary's Priory, Kirkcaldy.
40 Nairn, Miss Euphemia, The Priory, Kirkcaldy.
15 Nasmyth, George A., 15 Warrender Park Terrace, Edinburgh.
- 25 1070 Neil, Mrs. Elizabeth, Executrix of the late, New Scone, Perth.
10 Neill, Miss Janet, 4 West Montrose Street, Helensburgh.
20 Neish, John, Manse Terrace, Turriff.
35 Nelsen, Thomas & Sons, Parkside, St. Leonard's, Edinburgh.
10 Newby, William Henry, Druggist, Perth.
40 1075 Nichol, Rev. Archibald, M.A., the late, Minister of Walls, Shetland.
- 20 Nicholson, Mrs. Christina, Gordon, Berwickshire.
20 Nicol, Miss Harriet, Beechwood, Peebles.
10 Norie, Charles J. A., Union Bank of Scotland, Limited, Edinburgh.
- 320 *Norie, Henry Hay, Manager, Union Bank of Scotland, Limited, Edinburgh.
- 10 1080 Norie, Henry H., Edinburgh, and Col. Evelyn M. Norie, Madras Staff Corps, and the survivor.
55 Norwell, James, Executrix of the late, Edinburgh.
- 50 O'Donnell, Mrs. Margaret, 47 George Street, Glasgow.
2 Ogilvie, Archibald, Private Watchman, 43 McNeill Street, Glasgow.
- 200 Omond, Robert, M.D., Executors of the late, Edinburgh.
50 1085 Orr, Robert D., the late, Clydesdale Bank, Limited, Helensburgh.
- 20 Orr, Mrs. Agnes, 9 Queen's Crescent, Glasgow.
20 Orr, Mrs. Mary, Kilcreggan, and Robert Orr, Meikle-Aiden, Kilcreggan, in trust.
- 100 Pae, David, Executors of the late, Glasgow.
5 Park, Miss Margaret, 48 High Street, Inverurie.
45 1090 Parker, George, Writer, 208 Hope Street, Glasgow, in trust.
20 Parker, John, Oil Merchant, 9 Frederick Street, Glasgow.

67.563

69.563

20

Passmore, Frederick Eddy, 10 Fountayne Road, Stoke Newington, London, N.

100

*Paterson, James, Arthur Street, Bridgeton, Glasgow.

20

Paterson, John, Union Bank of Scotland, Limited, Glasgow.

280

1095

*Paterson, John, Union Bank of Scotland, Limited, Irvine.

295

Paterson, William, Executors of the late, Ettrickhall, Gala-shiels.

5

Paterson, William, M.D., Inverurie.

50

Paton, Miss Harriet, 8 Greenhill Terrace, Edinburgh.

77

Paton, James, jun., 7 Myrtle Park, Crosshill, Glasgow.

20

1100

Paton, Peter, Ruthven Villa, Auchterarder.

10

Paton, Walter, 72 Virginia Street, Glasgow.

90

Paton, Miss Amelia, Queen Street, Craigie, Perth.

70

Patrick, Joseph, Royal Exchange, Glasgow.

40

Paul, George, Leigh Park, Milngavie.

90

1105

Paul, John, Canbus-Wallace, Biggar.

40

Paul, Thomas, Leigh Park, Milngavie.

10

Peat, William, Executors of the late, Glasgow.

20

Pennie, Robert G. H., Union Bank of Scotland, Limited, Edinburgh.

20

Perigal, Mrs. Hannah, wife of Arthur Perigal, R.S.A., Edinburgh.

100

1110

*Petrie, David, 28 Nelson Street, Edinburgh.

65

Petrie, Stephen Francis, 13 John Street, Portobello.

20

Phillips, William, 22 Blacket Place, Edinburgh.

50

Picken, Miss Anne Elizabeth, Gladstone Place, Kirkecaldy.

26

Pillans, Rev. John, Huntly.

70

1115

Pirie, Alfred L., Stoneywood, Aberdeen.

50

Pirie, Gordon, Stoneywood, Aberdeen.

50

Pirie, Martin H., Stoneywood, Aberdeen.

15

Pirie, Rev. Thomas M., Manse of Knockando, Strathspey.

100

Pirie, Mrs. Jane, 26 Elmbank Crescent, Glasgow.

10

1120

Pirie, Miss Emily C., Waterton House, Aberdeen.

17

Pirie, Miss Fanny Ann, Waterton House, Aberdeen.

5

Pirie, Miss Helen G. L., Waterton House, Aberdeen.

5

Pirie, Miss Louisa V., Waterton House, Aberdeen.

3

Pitcairn, Augustus William, South Yeo, Bideford, North Devon.

55

1125

Pitcairn, Mrs. Hester H., South Yeo, Bideford, North Devon.

200

*Pitman, Frederick, W.S., Edinburgh.

160

*Pitman, Frederick, W.S., Edinburgh, as survivor in a joint account.

40

Playfair, David, Farmer, Haugh of Abernethven, Auchterarder.

45

Playfair, Patrick D., Farmer, Balandro, Johnshaven.

30

1130

Playfair, Miss Anne, Errol.

45

Playfair, Miss Margaret, Haugh of Abernethven, Auchterarder.

20

Pollok, Mrs. Mary, 13 Brighton Place, Portobello.

35

Porteous, George Murray, M.D., Croftweil House, Crief.

40

Porteous, Thomas, Draper, Dalkeith.

72.081

72.081

- 100 1135 *Porter, George, 43 Buccleuch Street, Glasgow.
 100 *Porter, James, 46 Cowcaddens Street, Glasgow.
 70 Powell, Frederick William, 3 Bright Crescent, Edinburgh.
 55 Pringle, Charles, Trustees and Executors of the late, Lieut.
 71st Light Infantry.
 115 *Pringle, James, Captain, late of H. M. 58th Regiment of
 Foot, care of John Stewart, W.S., 4 Albyn Place,
 Edinburgh.
 20 1140 Pringle, William, 25 Rankeillor Street, Edinburgh.
 20 Pringle, Mrs. Margaret, Trustee of the late, Edinburgh.
 30 Proctor, James, Kirkville, Skene, Aberdeenshire.
 10 Purves, James, S.S.C., 37 George Street, Edinburgh.
 35 Quinn, Daniel, 95 High Street, Glasgow.
 40 1145 Raeburn, George F., Union Bank of Scotland, Limited,
 Ellon.
 15 Raeburn, Miss Eliza, 12 Lansdowne Crescent, Glasgow.
 150 *Ramsay, George, 5 Charlotte Square, Edinburgh.
 100 Ramsay, James, Trustees of the late, Perth.
 10 Ramsay, John, jun., Bailder, Crossland Place, Peebles.
 10 1150 Ramsay, Robert N., Solicitor, 24 Forrest Road, Edinburgh.
 40 Rankin, Miss Violet, 39 Hopetoun Street, Bathgate.
 30 Rankine, James, Main Street, Turriff.
 30 Rankine, William M., and spouse, Marriage Trustees of,
 Dudhope, Forfar.
 50 Rankine, Miss Mary, 2 Portman Place, Hillhead, Glasgow.
 130 1155 Rattray, Miss Jane Clerk, Craighall, Blairgowrie.
 5 Reid, Henry, Executrix of the late, Kirklands, Dunning.
 30 Reid, Hugh, 1 Belford Place, Edinburgh.
 20 Reid, James, jun., 61 Salamander Street, Leith.
 37 Reid, Robert, Leather Merchant, Kirkwall.
 30 1160 Reid, Robert, 9 George Street, Edinburgh.
 20 Reid, Samuel, Albert Street, Kirkwall.
 10 Reid, Samuel, jun., Albert Street, Kirkwall.
 100 Reid, Miss Anne D., care of James Reid, 184 Ingram Street,
 Glasgow.
 10 Reid, Miss Isabella, Woodview, Hereford.
 60 1165 Reid, Misses Ellie and Isabella, Boyne Cottage, Banff, and
 survivor.
 55 Rennie, Thomas, Union Bank of Scotland, Limited, Maybole.
 25 Rennie, Miss Betha, Wellpark, Maybole.
 25 Rennie, Miss Charlotte N. H., Wellpark, Maybole.
 50 Renton, Mrs. Christina, Trustees of, Edinburgh.
 55 1170 Reynolds, Mrs. Jane M., 21 Meadow Lane, Leeds.
 40 Richardson, Robert M., Lieutenant, 20th Hussars, care of
 Ralph Richardson, 19 Castle Street, Edinburgh.
 15 Richardson, William, Farmer, Ballanulloch, Aberlour.
 50 Richardson, Mrs. Alison P., 16 Coates Crescent, Edinburgh.
 20 Ritchie, Alexander, S.S.C., 37 Queen Street, Edinburgh.

73.966

73.966

- 220 1175 *Ritchie, David, Hopeville, Dewarhill Gardens, Glasgow.
 20 Ritchie, George, of Hill of Ruthven, care of Mackenzie & Dickson, Perth.
 65 Ritchie, Rev. Dr. George, 4 Charlotte Square, Edinburgh.
 20 Ritchie, Misses Flora and Georgina, Iona, and the survivor.
 30 Robb, John, Farmer, D'Arcy, Dalkeith.
 20 1180 Robb, William, Dalkeith.
 10 Robertson, William, 46 Dundas Street, Kingston, Glasgow.
 100 *Roberts, Henry, Abbotsford Road, Galashiels.
 50 Roberts, William, Executors of the late, Galashiels.
 50 Robertson, Alexander, Banker, Blairgowrie.
 10 1185 Robertson, Alexander, Solicitor, Peterhead.
 50 Robertson, Alexander, 10 Sardinia Terrace, Glasgow.
 10 Robertson, David Roy, 31 Lower Bridge Street, Stirling.
 40 Robertson, Duncan, Advocate, 73 Great King Street, Edinburgh.
 140 *Robertson, Rev. Frederick L., D.D., 201 Bath Street, Glasgow.
 50 1190 Robertson, George, W.S., 17 Royal Circus, Edinburgh.
 30 Robertson, George B., and spouse, Marriage Trustees of, Berwick.
 170 *Robertson, James S., younger of Edradynate, Ballinluig.
 40 Robertson, John, Factor, Old Blair, Blair-Athole.
 40 Robertson, John, and spouse, Marriage Trustees for, Old Blair, Blair-Athole.
 120 1195 *Robertson, John H., Beechleigh, Jasswade.
 60 Robertson, Laurence, Stockbroker, Glasgow.
 15 Robertson, Laurence, and R. H. Robertson, 58 St. Vincent Street, Glasgow, and the survivor.
 50 Robertson, Thomas, Glencoe Villa, St. Andrews.
 40 Robertson, William, 2 Stanley Place, Dalblair Road, Ayr.
 10 1200 Robertson, William, Chemist, Elgin.
 10 Robertson, Mrs. Catherine Paton, or. Madderty, and John Robertson, Veterinary Surgeon there.
 10 Robertson, Mrs. Elizabeth, 7 London Street, Edinburgh.
 35 Robertson, Mrs. Margaret, 37 Queen's Crescent, Edinburgh.
 20 Robertson, Mrs. Margaret, Marshall Place, Perth.
 70 1205 Robertson, Mrs. Margaret, 2 St. Bernard's Crescent, Edinburgh.
 25 Robertson, Miss Ann C., 1 Marchmont Street, Edinburgh.
 80 Robertson, Miss Charlotte L., 12 Grosvenor Street, Edinburgh.
 10 Robertson, Miss Elizabeth, 22 Harriet Street, Sinclartown.
 4 Robertson, Miss Euphemia, 11 Grange Road, Edinburgh.
 20 1210 Robertson, Miss Jane, 73 Great King Street, Edinburgh.
 50 Robertson, Miss Jane, Haystoune Place, Peebles, in liferent; and John Murray Robertson, London, in fee.
 30 Robertson, Miss Jane Maria, 12 Grosvenor Street, Edinburgh.
 20 Robertson, Miss Margaret Jane, 73 Great King Street, Edinburgh.

75.810

75810		
10		Robertson, Miss Susan, Strathgroy, Blair-Athole.
20	1215	Robin, Robert, 9 East Howard Street, Glasgow.
20		Rogers, Misses Mary R., Isabella, and Helen, 1 Great Stuart Street, Edinburgh, and survivors or survivor.
2,250		*Roissard de Bellet, The Baron E., 44 Avenue du Bois de Boulogne, Paris.
25		Romanes, Miss Isabella, 3 Oswald Road, Edinburgh.
55		Roscoe, Mrs. Annie G., 2 Sheffield Terrace, Kensington, London.
10	1220	Rose, Rev. Neil P., 9 Glenorchy Terrace, Edinburgh.
2		Rose, Miss Katharine, care of L. Rose Moffat, C.A., 7 George Street, Edinburgh.
30		Ross, Alexander, the late, Old Town of Kineraigie, Tarland.
40		Ross, Rev. Charles, LL.D., and spouse, Marriage Trustees of, Cicish, Kinross.
5		Ross, David John, Merchant, Portmahomack.
44	1225	Ross, Gilbert, Merchant, Portmahomack.
20		Ross, Harry, Union Bank of Scotland, Limited, Tarland.
50		Ross, James, Executors of the late, Edinburgh.
10		Ross, William, Town and County Bank, Limited, Golspie.
100		*Ross, William, 3 Athole Crescent, Perth.
10	1230	Ross, Mrs. Helen Johanna, Abercainey Cottage, Crieff.
30		Ross, Mrs. Helen Johanna, Abercainey Cottage, Crieff.
40		Ross, Miss Annie, Tay Terrace, Dunkeld.
60		Ross, Miss Jean, Oakbank, near Perth.
60		Ross, Miss Margaret, Oakbank, near Perth.
40	1235	Ross, Miss Mary, 6 Crescent, Perth.
10		Ross, Miss Mary, Union Bank, Tarland.
10		Routledge, William J., Manufacturer, Aberdeen.
50		Rowan, Thomas B., Merchant, Greenock, in liferent, and as administrator to his son, in fee.
50		Rule, Miss W. R., 2 Portman Place, Hillhead, Glasgow.
2	1240	Rüffer, Ernest, 39 Lombard Street, London, E.C.
15		Runciman, James, Castleton, King Edward, Banff.
200		*Russell, Alexander James, Clerk to the Signet, Edinburgh.
700		*Russell, Archibald, 68 Great Clyde Street, Glasgow.
20		Russell, Charles, 19 Westminster Terrace, Glasgow.
20	1245	Russell, Gavin, Inland Revenue Officer, Camelon, Falkirk.
10		Russell, John, Union Bank of Scotland, Limited, Bridge of Allan.
10		Russell, Peter, Union Bank of Scotland, Limited, Glasgow.
30		Russell, William, Merchant, Bathgate.
25		Russell, William, 6 Hillhead Gardens, Glasgow.
10	1250	Russell, William, Merchant, Bathgate, in trust.
10		Russell, William F., 13 Kelvinside Terrace, Hillhead, Glasgow.
20		Russell, Miss Christina M., Longcroft, Denny.
10		Rutherford, Miss Grace and Miss Isabella, 32 Melville Street, Portobello, jointly.
5		Rutherford, Miss Grace, 32 Melville Street, Portobello.

79948

79.948

39

- 5 1255 Rutherford, Miss Isabella, 32 Abercromby Place, Edinburgh.
- 64.5 *Rutherford, Andrew D., 48 Ingram Street, Glasgow.
- 65 Rutherford, Andrew D., and spouse, Trustees for the children of, Glasgow.
- 30 Rutherford, Andrew T., care of James Watson & Co., Middlesbrough.
- 30 Rutherford, Miss Cecilia D., Dunkeld Place, Dowanhill, Glasgow.
- 5 1260 St. Clair, Hon. Mrs. Anne C., West Parade House, Scarborough.
- 135 St. Clair, Hon. Mrs. Anne C. Pringle, or, Trustees of, Scarborough.
- 45 St. Clair, Right Hon. Margaret J. Murray, or, Lady Sinclair, care of D. Scott Moncrieff, W.S., Edinburgh.
- 90 St. Clair, Hon. Miss Ellen, Knowsley Vicarage, Prescott.
- 20 Sadler, Gilbert, Wood Merchant, Banchory.
- 130 1265 Sadler, Miss Janet, Cliff Hill, Warwick.
- 30 Salmon, John, Factor, The Linn, Johnstone.
- 40 Samuels, Mrs. Georgina M., Seabeach House, Portobello.
- 20 Sandeman, Robert, 6 West Parade, Newcastle-on-Tyne.
- 2 Sandison, John, Union Bank of Scotland, Limited, Cowcaddens, Glasgow.
- 57 1270 Sands, Rev. Henry B., Northwood Vicarage, Rickmansworth.
- 2 Sangster, John, Inspector of Poor, Slains, by Ellon.
- 15 Saunders, Thomas, Union Bank of Scotland, Limited, Coupar-Angus.
- 25 Selater, Miss Elizabeth, 8 Smith's Place, Leith Walk, Edinburgh.
- 25 Selater, Miss Grace Allan, Executrix of the late, Musselburgh.
- 20 1275 Scobie, James, Druggist, 29 Alva Street, Edinburgh.
- 10 Scorgie, John, 40 Broad Street, Aberdeen.
- 20 Scott, Alexander, of Falla, Hillside, Lockerbie.
- 27 Scott, George F., S.S.C., 48 Castle Street, Edinburgh.
- 16 Scott, George G., and spouse, Marriage Trustees of, Greenwich.
- 10 1280 Scott, James, 37 South Clerk Street, Edinburgh.
- 60 Scott, John, 16 Holyrood Crescent, Glasgow.
- 50 Scott, John, Trustees of the late, Melrose.
- 120 *Scott, Robert, 8 Crown Circus, Dowanhill, Glasgow.
- 100 *Scott, Walter, of Broomlands, Dumfries.
- 50 1285 Scott, William, 18 Marchmont Road, Edinburgh.
- 15 Scott, Mrs. Maggie A., 3 May Terrace, Mount Florida, Glasgow.
- 40 Scott, Miss Mary, Hawick.
- 10 Seoular, John, Executrix of the late, Auchterarder.
- 10 Secular, Michael, Portland Street, Kilmarnock.
- 95 1290 Sedgwick, Rev. John E., and spouse, Marriage Trustees of, The Rectory, Stanford le Hope, Essex.
- 10 Sellar, Miss Constance H., Trustee for, Edinburgh.

32.047.

82.047

10		Sellar, Miss Eleanor C., Trustee for, Edinburgh.
10		Sellar, Miss Florence A. de Quincey, Trustee for, Edinburgh.
10		Sellar, Miss May V., Trustee for, Edinburgh.
25	1235	Shairp, Principal John C., and spouse, Marriage Trustees of, St. Andrews.
50		Shoad, James, Union Bank of Scotland, Limited, Edinburgh.
50		Shaw, Duncan, 9 Heriot Row, Edinburgh.
40		Shaw, George, East Mayfield Cottage, Newington, Edinburgh.
10		Shaw, John, Shian, Glenquaiel, Amulree.
10	1200	Shaw, Peter, Shian, Amulree, by Dunkeld.
10		Shaw, Robert, Cattle Dealer, Mainpoint, Edinburgh.
60		Shearer, Archibald, Engineer, Townhead, Beith.
20		Sheed, John, Executrix of the late, Aberdeen.
10		Shepherd, William, Grain Merchant, Perth.
50	1305	Shields, George, Executors of the late, Black Callerton, Northumberland.
30		Shirres, William, 32 Bon-Accord Terrace, Aberdeen.
10		Skives, James, Union Bank of Scotland, Limited, New Pitligo.
40		Sibbald, James R., 12 Napier Road, Edinburgh.
20		Sibbald, John Edward, 8 Ettrick Road, Edinburgh.
50	1310	Sibbald, John, Ironmonger, 15 Lynedoch Place, Edinburgh.
50		Siddons, Miss Sarah, care of Fuller, Banbury, & Co., London.
35		Siday, George, Executrix of the late, Grocer, New Rattray.
40		Simpson, David Ritchie, Ironmonger, Wick.
5		Simpson, George, Chemist, Peterhead.
30	1315	Simpson, James, Inland Revenue Office, Glasgow.
10		Simpson, John, Fishcurer, Wick.
50		Simpson, John, Mrs. Mary Simpson, and James Simpson, 5 Wardie Avenue, Edinburgh, and the survivors or survivor.
5		Simpson, Robert, the late, of Cobairdy, Huntly.
5		Simpson, Samuel, Farmer, Wardford, Methlic.
10	1320	Simpson, Mrs. Margaret McLennan, or, 3 Fife Street, Banff.
21		Simpson, Miss Annie, Pathhead, Ford, Dalkeith.
25		Simpson, Miss Euphemia, 5 Wardie Avenue, Edinburgh.
10		Simpson, Miss Margaret, Simpson's Buildings, Wick.
4		Sinclair, James, Union Bank of Scotland, Limited, Kirkwall.
250	1325	Sinclair, Mrs. Margaret Scott, or, Trustee of the late, Garvel Park, Greenock.
16		Skene, Miss Maria Isabella, The Lees, Folkestone.
50		Skinner, David, M.D., Lander.
50		Small, John, M.A., University, Edinburgh.
20		Small, Miss Jane, Greenbank Street, Galashiels.
10	1330	Smart, Miss Agnes M., Wester Leys, by Coupar-Angus.
2		Smith, Alexander, Union Bank of Scotland, Limited, Glasgow, and Mrs. Eliza M. Smith, in trust.
40		Smith, George, 5 Buchanan Street, Glasgow.
20		Smith, George, 248 Great Western Road, Aberdeen.

83.320

23.320		
100		*Smith, James, 20 Park Terrace, Glasgow.
10	1335	Smith, John, Peterculter, by Aberdeen.
90		Smith, John, Union Bank of Scotland, Limited, Edinburgh.
40		Smith, the late John, and spouse, 219 High Street, Edinburgh, and the survivor in life; and their children in fee.
19		Smith, John Falla, Earlston.
15		Smith, Robert, Rathelton House, Leven.
25	1340	Smith, Robert A., S.S.C., 18 Mayfield Terrace, Edinburgh.
20		Smith, Robert G., Georgeville, Mid-Cadder.
20		Smith, Robert H., Allerly Brae, Jedburgh.
130		*Smith, William, 114 Bath Street, Glasgow.
20		Smith, Mrs. Agnes Wallace, or, 14 Greenhill Gardens, Edinburgh.
60	1345	Smith, Mrs. Elizabeth Wilson, or, in life; and others in fee, Cruickshank, Duns.
5		Smith, Mrs. Margaret, Benview, Ardenadam.
30		Smith, Mrs. Marian Jane, St. John's Vicarage, Harborne, Stafford.
10		Smith, Mrs. Marjory, 220 West Regent Street, Glasgow.
10		Smith, Miss Annie, 220 West Regent Street, Glasgow.
10	1350	Smith, Miss Helen Young, 5 Comely Bank, Edinburgh.
10		Smith, Miss Isabella, Mossbrodie, Peterculter, near Aberdeen.
20		Smitten, William, Union Bank of Scotland, Limited, Wick.
50		Snodgrass, Miss Joan, 1 Middleby Street, Edinburgh.
10		Söhns, Hermann, 9 Laurel Terrace, Merchiston, Edinburgh, and his spouse, and survivor.
40	1355	Somerville, George, 2 Brougham Place, Edinburgh.
20		Somerville, James, Executors of the late, Glasgow.
25		Sonner, Edward, Forestfield, Kelso.
30		Soutar, William Shaw, Banker and Writer, Blairgowrie.
23		Souter, Miss Annie Hill, Union Bank House, Blairgowrie.
5	1360	Souter, Mrs. Martha, Slains, by Ellen.
120		*Speirs, Thomas Dundas, of Houston Mains, Houston.
120		Speirs, Miss Helen, care of John Stewart, W.S., 4 Albany Place, Edinburgh.
10		Stalker, John, Teacher, Logiealmond.
40		Stalker, Mrs. Anne, wife of James Stalker, Solicitor, Gala-shiels.
70	1365	Stark, Mrs. Isabella, Executor of the late, Edinburgh.
30		Steele, George, 29 Kent Street, Glasgow.
10		Steele, Samuel, Executrix of the late, Guffockland, Kirkcconnel.
10		Steele, William, S.S.C., 61 Frederick Street, Edinburgh.
5		Stein, John Gilchrist, Brickmaker, Cumbernauld.
30	1370	Stenhouse, George, Executrix of the late, West Pilton, Edinburgh.
25		Stenhouse, Mrs. Christina, West Pilton, Davidson's Mains, Edinburgh.
20		Stephen, Francis, Executrices of the late, Huntly.

84.652

24,652		
20		Stephen, James A., Bank Agent and Solicitor, Keith.
10		Stephen, Miss Isabella, Duke Street, Huntly.
10	1375	Stephen, Miss Jean, Sunnyside, Victoria Road, Huntly.
15		Steven, Mrs. Agnes, 2 Hampton Court Terrace, Glasgow.
20		Stevenson, Charles, Teller, Union Bank of Scotland, Limited, Perth.
145		*Stevenson, Rev. Robert H., D.D., 9 Oxford Terrace, Edinburgh.
20		Stevenson, Mrs. Isabella, 4 Gosforth Villas, Newcastle.
20	1380	Stevenson, Mrs. Maria Martin, or, 24 Sandyford Place, Glasgow.
40		Stevenson, Mrs. Maria Martin, or, 21 Sandyford Place, Glasgow.
2		Stevenson, Miss Barbara, Mill of Blairshinnoch, near Banff.
30		Stewart, Archibald, Boat House, Blair-Athole.
20		Stewart, Charles, Duart, Glensinglas, Callander.
65	1385	Stewart, James, sen., 84 Norfolk Street, Glasgow.
50		Stewart, James, Duart, by Callander.
60		Stewart, James, Scotia Distillery, Campbeltown.
20		Stewart, James F., Kippen, by Stirling.
4,35		*Stewart, John, W.S., 4 Albion Place, Edinburgh.
25	1390	Stewart, Robert, White House, Pitlochry.
30		Stewart, Robert A., Burnside House, Easdale, Oban.
50		Stewart, Robert Graham, Wester Cornaton, Bridge-of-Allan.
2		Stewart, Mrs. Helen, of Hutton Hall, Brentwood, Essex.
50		Stewart, Miss Catharine A., 31 James Street, Perth.
5	1395	Stewart, Miss Eliza, Queensberry Terrace, Moffat.
5		Stewart, Miss Elizabeth, 27 West Preston Street, Edinburgh.
10		Stewart, Miss Euphemia, Mar Street, Alloa.
5		Stewart, Miss Helen A., Queensberry Terrace, Moffat.
5		Stewart, Miss Jane, Executrix of the late, Edinburgh.
5	1400	Stewart, Miss Janet M., Queensberry Terrace, Moffat.
10		Stewart, Miss Penelope, Mar Street, Alloa.
5		Stewart, Miss Sarah G., Queensberry Terrace, Moffat.
20		Stirling, James, Garngrew, Denny.
550		*Stirling, Patrick, of Kippendavie, Perthshire.
50	1405	Stirling, Mrs. Margaret M., of Kippendavie, Kippenross, Dunblane.
10		Stout, Thomas, jun., Writer, 178 St. Vincent Street, Glasgow.
20		Strachan, Mrs. Mary, and her family, Trustees for, Banff.
10		Strachan, Miss Mary, Canterland, by Montrose.
5		Straiton, George, and Miss Isabella M., Kirkton, Rayne, Warthill, Aberdeenshire., and survivor.
20	1410	Strang, Rev. Robert C., Free Church Manse, Dundonald, Kilmarnock.
55		Strang, Robert, Commercial Bank House, Alloa.
20		Struthers, Rev. John, LL.D., Prestonpass.
30		Stuart, Rev. John, D.D., and spouse, Marriage Trustees of, Edinburgh.
300		Stubbs, Thomas, and spouse, Marriage Trustees of, London.
86,901		

86901

- 40 1415 Starrock, David, Schoolmaster, Moulin, Fifechry.
 75 Sutherland, David M.G., M.D., Castletown, by Thurso.
 10 Sutherland, Rev. James, Free Church Manse, Turriff.
 20 Sutherland, John, Trustees of the late, Inverness.
 13 Sutherland, William P., 26 Basinghall Street, London, E.C.
 35 1420 Sutherland, Mrs. Charlotte, Castletown, Caithness.
 10 Sutherland, Mrs. Charlotte, Castletown, by Thurso.
 10 Sutherland, Mrs. Isabella, and Mrs. Johanna Sutherland.
 Golspie.
 2 Sutherland, Miss Maggie A., School, Hendry Street, Portsey.
 20 Swan, John, Registrar, Leslie.
 115 1425 *Swan, Thomas, 37 Lauriston Place, Edinburgh.
 60 Swan, Mrs. Isabella Shiells, or, 37 Lauriston Place, Edinburgh.
 100 *Swanson, Hector, Newdigging of Blebo House, Cupar.
 25 Swinton, Rev. James, Executrix of the late, Portnoak.
 10 Sym, Mrs. Mary T., 4 Greenhill Place, Edinburgh.
 40 1430 Syme, James, Banker, 9 Drumshough Gardens, Edinburgh.
 80 Syme, Miss Lucy Maria, 12 Park Crescent, Portland Place, London.
 5 Taylor, Alexander, Union Bank of Scotland, Limited, Blairgowrie.
 20 Taylor's Institution, Crieff, Managers for.
 50 Taylor, James, Starkey Hall, Burntisland.
 15 1435 Temple, Rev. William, M.A., St. Margaret's, Forgue, Huntly.
 10 Templeton, Miss Isabella G., 10 Clark Street, Kilmarnock.
 1.100 *Tennant, Charles, of St. Rollox, Glasgow, M.P.
 60 Thom, Miss Wilhelmina, Ravenslea, Trinity, Edinburgh.
 50 Thomas, Charles, Maxwell Villa, Pollokshields.
 60 1440 Thomas, John, Maxwellton, Perth.
 50 Thoms, John, Executors of the late, Factor, Keir, Dunblane.
 60 Thoms, Thomas Watt, 18 St. Andrew's Place, Dundee.
 10 Thomson, James, Williamsburgh, Elie.
 45 Thomson, John S., 3 Victoria Crescent, Dawankill, Glasgow.
 105 1445 *Thomson, Rev. John, North Lopham, in Norfolk.
 185 *Thomson, Seton, Insurance Broker, Glasgow.
 310 Thomson, Mr. and Mrs. Seton, Trustees for, Glasgow.
 30 Thomson, Simon, 7 Glenavon Terrace, Partick, Glasgow.
 20 Thomson, William, Photographer, Aberdeen.
 10 1450 Thomson, William, Union Bank of Scotland, Limited, Glasgow.
 15 Thomson, William D., Myrtle Cottage, Crieff.
 26 Thomson, William Ross, 7 West Bank Quadrant, Hillhead, Glasgow.
 25 Thomson, Miss Elizabeth D., The Elysees, Emsworth, Hants.
 25 Thomson, Miss Octavia G., 80 Whitworth Road, Plumstead, Kent.
 20 1455 Thorburn, William, 6 Vanburgh Place, Leith.

89372

59.872

10

100

100

150

140

10

13

35

10

310

50

10

60

10

30

70

60

30

10

45

100

55

20

40

50

5

20

3

140

25

15

75

30

70

100

20

10

91.903

Thornton, George B., The Bloom, Canaan Lane, Morningside, Edinburgh.

Threipland, Sir Patrick Murray, of Fingask and Toffingall, Bart., Executors of the late.

*Tillie, William, Manufacturer, Londonderry.

*Tod, Henry, Easter Cash, Strathmiglo.

1460 *Tod, James, Easter Cash, Strathmiglo.

Tod, William, Pardovan, Winchburgh.

Tolmie, Murdo, Excise Officer, Glen Glassaugh, Portsoy.

Tomison, Miss Jessie, St. Margaret's Hope, Orkney.

Torrance, Thomas, Wine Merchant, 192 Pleasance, Edinburgh.

1465 *Torrance, William, Hyvotsmill, Liberton.

Torrance, William, Hyvot's Bank, Liberton, for behoof of William Torrance, jun.

Trippney, David, 23 Ferry Road, Renfrew.

Troup, Francis, M.D., 1 Minto Street, Edinburgh.

Tullo, Mrs. Mary, 23 Albert Road, Crosshill, Glasgow.

1470 Turnbull, Andrew H., Actuary, 9 St. Andrew Square, Edinburgh.

Turnbull, Mrs. Margaret L., 9 St. Andrew Square, Edinburgh.

Turnbull, Miss Mary, Burnfoot, Hawick.

Tweedie, Richard, Executrix of the late, Stow.

Urquhart, James, N.P., 3 Mary's Place, Edinburgh.

1475 Usher, Mrs. Marion B., Trustees for, Edinburgh.

Wahab, Mrs. Janet, 38 Royal Terrace, Edinburgh.

Walker, George Austin, M.D., Dollar.

Walker, George, 16 Viewforth Place, Edinburgh.

Walker, James, Cashier, Glasgow, and Miss Margaret Walker, Blythswood Square, Glasgow, in trust.

1480 Walker, Rev. Robert, M.A., Dovecot Hall, Barrhead.

Walker, William, Burnside Cottage, Old Meldrum.

Walker, Miss Elizabeth, West Grange, Edinburgh.

Walker, Miss Elizabeth, care of James Walker, Watchmaker, Ellen.

Walker, Miss Jane L., 6 Blantyre Terrace, Merchiston Avenue, Edinburgh.

1485 Walker, Misses Margaret S., and Madelaine H., and survivor, care of J. Scott Moncrieff, C.A., Edinburgh.

Wallace, Hugh, Dunlea, Maxwell Road, Pollokshields, in trust.

Wallace, Hugh, Dunlea, Pollokshields.

Wallace, John, 171 Ferry Road, Leith.

Wallace, Walker, Executors of the late, Leith.

1490 *Warden, Thomas, 5 Eton Gardens, Hillhead, Glasgow.

Waters, John, 61 Cadder Street, Pollokshields.

Waters, Mrs. Margaret, 7 St. Andrew's Place, Edinburgh.

91903

- 5 Waters, Misses Rachel M. and Isabella R., Grove Villa,
Albert Road, Crosshill.
- 40 Watherston, James, Pentland Villa, West Coates, Edinburgh.
- 20 1495 Watson, Charles, Katesmill, Slateford.
- 250 *Watson, Sir James, 9 Woodside Terrace, Glasgow.
- 160 *Watson, James, 45 Charlotte Square, Edinburgh.
- 30 Watson, James, 45 Charlotte Square, and John Watson, 16
Greenhill Gardens, Edinburgh, and the survivor, in trust.
- 30 Watson, John, Cornhill, near Perth.
- 20 1500 Watson, Thomas, 5 Queen Street, Craigie, Perth.
- 220 *Watson, William A., 2 Fitzroy Avenue, College Green, Bel-
fast.
- 25 Watson, Mrs. Robina Ann Russell Inglis, or, and her child-
ren, Trustee for, London.
- 20 Watson, Miss Elizabeth A., Viewbank, Bothwell.
- 10 Watt, Rev. John, The Manse, Strathdon, Aberdeenshire.
- 10 1505 Watt, Mrs. Helen McDonald, or, 35 Duff Street, Macduff.
- 360 *Wauchope, Andrew, Airth Castle, Airth.
- 31,0 *Wauchope, David Baird, Merchant, Leith.
- 148 *Wauchope, Robert A., Lieut.-Col. H. M. Indian Army.
- 20 Webster, Alexander, Advocate, Aberdeen.
- 10 1510 Webster, George, Shoemaker, Cookston, Ellon.
- 200 Webster, James, Executors of the late, Edinburgh.
- 40 Webster, James, St. Catherine's, Torquay.
- 135 *Webster, John, Advocate, Aberdeen, M.P.
- 20 Webster, William, 36 Gilcomston Park, Aberdeen.
- 25 1515 Webster, Miss Jane Anne, Hillend Road, Arbroath.
- 122 *Weigall, Edward L., 2 Kingsborough Gardens, Kelvinside,
Glasgow.
- 10 Weigall, Edward L., 2 Kingsborough Gardens, Kelvinside,
Glasgow, in trust for Edward Weigall.
- 10 Weigall, Edward L., 2 Kingsborough Gardens, Kelvinside,
Glasgow, in trust for Stanley Weigall.
- 10 Weigall, Edward L., 2 Kingsborough Gardens, Kelvinside,
Glasgow, in trust for Ellen Hope Weigall.
- 10 1520 Weigall, Edward L., 2 Kingsborough Gardens, Kelvinside,
Glasgow, in trust for Jessie Catherine Weigall.
- 20 Weigall, Mrs. Jessie, 2 Kingsborough Gardens, Kelvinside,
Glasgow.
- 10 Weir, Adam, Union Bank of Scotland, Limited, Glasgow.
- 500 *Weir, John, 7 Roxburgh Place, Edinburgh.
- 2 Weir, Miss Sarah, Hermitage, Murrayfield, Edinburgh.
- 30 1525 Wellwood, Mrs. Margaret Clarke, Terriff.
- 240 *Wemyss, Robert, 5 Newbattle Terrace, Edinburgh.
- 30 Wemyss, Robert, 5 Newbattle Terrace, Edinburgh, in life-
rent, and others in fee.
- 30 Wemyss, Robert, 5 Newbattle Terrace, Edinburgh, in life-
rent, and others in fee.
- 15 Westwood, William, Wester Balgour, Dunning.
- 5 1530 Wheatley, Leonard A., 11 Torphichen Street, Edinburgh.

95025

95.035
3915
1.58510
10

50

60

20

30

100

80

20

40

20

30

10

40

5

1

100

20

30

16

25

20

5

10

700

100

40

20

20

20

20

30

20

235

15

70

30

380

90.05
11

Whigham, David Dundas, Academy Street, Ayr, and the Rev.
Laurence Robert Whigham, Millbrook Rectory, Ampthill,
Beds.

White, Adam, 10 St. Andrew's Terrace, Mayfield, Edinburgh.

*White, George C., Stewart Lea, Ayr.

White, Hugh, 9 Sunnyside Street, Leith.

1533 White, John A., Agent, Union Bank of Scotland, Limited,
Leith.

White, Thomas, 2 Poldrate, Haddington.

White, Mrs. Sarah, 1 Danube Street, Edinburgh.

White, Misses Mary Ann and Isabella, care of John A.

White, Union Bank House, Leith, and the survivor.

Whittet, George, Easter Drylaw, Davidson's Mains, Edinburgh.

1540 *Whyte, Alexander, Pinelea, Melnsburgh.

Whyte, Alexander B., Executors of the late, Aberdeen.

Whyte, Henry, Solicitor, Perth.

Whyte, Rev. James, D.D., Executors of the late, Methlic.

Whyte, John, Executors of the late, Aberdeen.

1545 Whyte, Mrs. Janet, 6 Hillhead Place, Hillhead, Glasgow.

Whyte, Miss Helen, 15 Wellington Place, Aberdeen.

Wight, Rev. George, Minister of the Parish of Wamphray.

Wilkie, Mrs. Agnes, Milton Road, Kirkcaldy.

Wilkie, Miss Isabella, Milton Road, Kirkcaldy.

1550 *Will, Robert William, S.S.C., 37 Queen Street, Edinburgh.

Williamson, James, 41 High Street, Banff.

Williamson, Rev. Robert, D.D., Collessie Manse, Ladybank.

Williamson, Mrs. Mary Jane, Trustees of, Netherwood, near
Banff.

Willock, George, Accountant, Union Bank of Scotland,
Limited, Glasgow.

1555 Wilson, Charles E., LL.D., H. M. Inspector of Schools, 19
Palmerston Place, Edinburgh.

Wilson, George, Executor of the late, of Dunsroft, Gartly.

Wilson, George Park, Union Bank of Scotland, Limited,
Inverurie.

*Wilson, John, Aucheneck, Killearn Station.

Wilson, William Stow, the late, 6 Belgrave Crescent, Edinburgh.

1560 Wilson, Mrs. Isabella, Alford, Dunblane.

Wilson, Mrs. Jane, Hilton Cottage, Gellymill Street, Macduff.

Wilson, Mrs. Jane, 3 Victoria Terrace, Dowanhill, Glasgow.

Wilson, Miss Mary Logan, 11 The Terrace, Dullatur.

Winchester, Charles Blake, in H. M. Civil Service, and
spouse, Marriage Trustees of.

1565 Winchester, James W., LL.D., 42 Inverleith Row, Edinburgh.

*Wingate, John, Calico Printer, 52 Renfield Street, Glasgow.

Wingate, John, 18 Mar Place, Alloa.

Winterbotham, Mrs. Eliza H., Cranley Lodge, Pittsville,
Cheltenham.

Wishart, James, Merchant, Leith.

1570 Wood, Andrew, M.D., Trustees of the late, Edinburgh.

47

99.195

60

60

100

50

70

120

10

25

85

20

150

10

30

55

10

10

20

100.000

Wood, James R., Wm. Keay, and Alex. Smith, all of Union Bank of Scotland, Limited, Glasgow, and survivors and survivor of them, in trust.

Wood, John, Dupplin Bank House, Kinnoull, Perth.

Worthington, Captain Henry Clark, and spouse, Marriage Trustees of, Bath.

*Wotherspoon, William, Maxwellton House, Paisley.

1575 Wotherspoon, Miss Mary Ann, Maxwellton House, Paisley.

Wrede, John C., Sugar Broker, Greenock.

*Wright, John, Agent, Union Bank of Scotland, Limited, Bathgate.

Wright, Miss Helen Mary, Springfield, Bath Road, Reading.

Wyer, Rev. Thomas R., and Mrs. Jane, Marriage Trustee of, Peebles.

1580 Wyer, Mrs. Jane, Trustee for, Peebles.

20 Wylie, John, Executor of the late, Jamestown, Bonhill.

*Yeats, William, of Anquharney, Advocate, Aberdeen.

Young, David, Farmer, Kinloch, Fowls, Crief.

Young, John, Executors of the late, Ardrossan.

1585 Young, Mrs. Anne, Executors of the late, Glasgow.

Young, Mrs. Margaret M., Marriage Trustees of, Glasgow.

Young, Miss Maggie, 19 St. John Street, Perth.

Ynill, James, 47 Stockwell Street, Glasgow.

THE UNION BANK OF SCOTLAND, LIMITED.

8th MAY, 1885.

HEAD OFFICES:

GLASGOW,.....INGRAM STREET.
EDINBURGH,.....GEORGE STREET.

BRANCHES:

LONDON, 62 Cornhill, E.C.,.....JOHN ALLEN FRADGLEY, Manager.

ABERDEEN,	JOHN COOK, <i>Cashier.</i>
Do. (GEORGE STREET,)	JOHN SHARP, <i>Agent.</i>
Do. (WEST END,)	JAMES DAVIDSON, <i>Agent.</i>
ABERFELDY,	CHAS. MCNEIL, <i>Agent.</i>
ABERLOUE, (STRATHSPEY,)	WM. MCGOWAN, <i>Agent.</i>
ALLOA,	THOMAS DRYDIE & SON, <i>Agents.</i>
ALVA,	WM. COWAN, <i>Agent.</i>
AUCHTERARDER,	WM. L. YOUNG, <i>Agent.</i>
AUCHTERMUCHTY,	ROBERT WILLIE, <i>Agent.</i>
AYR,	JOHN T. DUNCOMBE, <i>Agent.</i>
BALLATER,	JOHN SIMPSON, <i>Agent.</i>
BANCHORY,	GEORGE G. SHARP, <i>Agent.</i>
BANFF,	JAMES RUST, <i>Agent.</i>
BARRHEAD,	WM. & JAS. POLLOCK, <i>Agents.</i>
BARRHILL,	EDWARD HYSLOP, <i>Agent.</i>
BATHGATE,	JOHN WRIGHT, <i>Agent.</i>
BELTH,	W. F. LOVE, <i>Agent.</i>
BLAIRATHOLE, (Sub to Pitlochrie,)	JAMES STEWART, <i>Sub-Agent.</i>
BLAIRGOWRIE,	WM. E. SOUTAR, <i>Agent.</i>
BRAEMAR,	JAMES AITKEN, <i>Agent.</i>
BRECHIN,	GORDON & LAMB, <i>Agents.</i>
BRIDGE OF ALLAN,	ROBT. JENKINS, <i>Agent.</i>
BUCKIE, (BANFFSHIRE,)	JOHN ANTON, <i>Agent.</i>
CASTLE DOUGLAS,	RICHD. HEWAT, <i>Agent.</i>
COATBRIDGE,	J. H. BOWIE, <i>Agent.</i>
COUPAR-ANGUS,	TROS. SAUNDERS, <i>Agent.</i>
CRIFEFF,	J. & A. GIBSON, <i>Agents.</i>
CULLEN,	WM. L. TAYLOR, <i>Agent.</i>
DALBEATHIE,	R. W. MACNAB, <i>Agent.</i>
DALRY, (AYRSHIRE—Open on Thurs- days, Sub to Belth,)	W. F. LOVE, <i>Agent.</i>
DALRY, (GALLOWAY,)	D. MORRIS, <i>Agent.</i>
DARVEL, (Sub to Galston,)	TROS. FLEMING, <i>Sub-Agent.</i>
DOUNE,	THOMAS M. GRAHAM, <i>Agent.</i>
DUNBARTON,	WM. BATHIE & WM. CRAIG, <i>Joint-Agents.</i>
DUMFRIES,	WM. CRAIG, <i>Agent.</i>
DUNBLANE,	WM. CHRISTIE, <i>Agent.</i>
DUNDEE,	DAVID S. FERGUSON, <i>Agent.</i>
DUNKELD,	ROBERT M'GILLIVRAY, <i>Agent.</i>
DUNNING,	M. H. LAWSON, <i>Agent.</i>
DUNOON,	WM. MUNRO, <i>Agent.</i>

4

EDINBURGH, (DOWNIE PLACE,) ...	JAMES MORTON, <i>Agent.</i>
Do. (FORREST ROAD,) ...	ROBERT GLEGG, <i>Agent.</i>
Do. (HAYMARKET,) ...	THOMAS GORDON, <i>Agent.</i>
Do. (HUNTER SQUARE,) ...	JAMES M. GOW, <i>Agent.</i>
Do. (MORNINGSIDE,) ...	JAMES MORTON, <i>Agent.</i>
Do. (NEWINGTON,) ...	JAMES MASSON, <i>Sub-Agent.</i>
Do. (NORTON PARK,) ...	ANTHONY M. TOUCH, <i>Agent.</i>
EDZELL, ...	ROBERT THORNBURN, <i>Agent.</i>
ELGIN, ...	JOHN MILNE, <i>Agent.</i>
ELLON, ...	JAMES JAMESON, <i>Agent.</i>
ERROL, ...	GEO. F. RAEBURN, <i>Agent.</i>
FOGHABERS, ...	THOS. ROBERTS KINSMONT, <i>Agent.</i>
FORFAR, ...	H. R. LEVAY, <i>Agent.</i>
FRASERBURGH, ...	WM. LOWSON, <i>Agent.</i>
GALSTON, ...	JAMES BLACKHALL, <i>Agent.</i>
GATEHOUSE, ...	JOHN HENDRIE, <i>Agent.</i>
GIRVAN, ...	JOHN HENDRIE, JUN., <i>Sub-Agent.</i>
GLASGOW, (ANDERSTON,) ...	WM. CAIRNS, <i>Agent.</i>
Do. (174 ARGYLE STREET,) ...	DAVID ANDREWS, <i>Agent.</i>
Do. (BRIDGE-TON CROSS,) ...	WM. MACKIE, <i>Agent.</i>
Do. (COWCADDENS,) ...	R. R. K. THOMSON, <i>Agent.</i>
Do. (HILLHEAD,) ...	JOHN WITHER, <i>Agent.</i>
Do. (KINNING PARK,) ...	ANDW. FORSYTH, <i>Agent.</i>
Do. (ST. VINCENT STREET,) ...	ANDW. FORSYTH, <i>Agent.</i>
Do. (TRADESTON,) ...	WM. L. HOME, <i>Agent.</i>
Do. (TRONGATE,) ...	JAMES WALLACE, <i>Agent.</i>
GOURROCK, ...	FRANCIS BAILLIE, <i>Sub-Agent.</i>
GOVAN, ...	JAMES FRANK, <i>Agent.</i>
GRIPPSOCK, ...	DUN. McARTHUR, <i>Agent.</i>
HAMILTON, ...	W. H. TURNER, <i>Agent.</i>
HELENSBURGH, ...	D. D. BAIRD, <i>Agent.</i>
HUNTLY, ...	F. C. BRUCE, <i>Agent.</i>
INVERARAY, ...	WM. FORREST, <i>Agent.</i>
INVERNESS, ...	JAMES MILNE, <i>Agent.</i>
INVERURIEL, ...	JAMES MILNE, <i>Agent.</i>
IRVINE, ...	GN. M. WRIGHT, <i>Agent.</i>
JOHNSTONE, ...	GEORGE BLACK, <i>Agent.</i>
KENTH, ...	GEORGE P. WILSON, <i>Agent.</i>
KENMORE, (PERTHSHIRE—Open on } Mon and Wed., Sub to Aberfeldy,) } KILLIN, ...	JOHN PATERSON, <i>Agent.</i>
KILMARNOCK, ...	JOHN HOLMES AND ALEX. BARTLEMORE, <i>Joint-Agents.</i>
KINCARDINE, ...	JAMES A. STEPHEN, <i>Agent.</i>
KIRKCALDY, ...	CHAS. MUNRO, <i>Agent.</i>
KIRKWAUL, ...	J. McNAUGHTON, <i>Agent.</i>
KIRRIEMUIR, ...	R. & D. C. GARDNER, <i>Agents.</i>
LADYDANK, ...	JAMES PATRICK, <i>Agent.</i>
LARGS, ...	JOHN E. MURRAY, <i>Agent.</i>
LARKHALL, ...	R. G. W. IRVINE, <i>Agent.</i>
LEITH, ...	J. M. BLACK AND THOS. M. WILSON, <i>Joint-Agents.</i>
LEWIS, ...	J. OLIPHANT WATT & GEORGE GRAY, <i>Joint-Agents.</i>
LESLIE, ...	A. H. ECKFORD & ALEX. YOUNG, <i>Joint-Agents.</i>
LOCHGELLY, (FIFESHIRE,) ...	WM. FORREST, <i>Agent.</i>
LOCHGILFHEAD, ...	JOHN A. WHITE, <i>Agent.</i>
MACDUFF, ...	ALEXANDER MITCHELL, <i>Agent.</i>
MARYHILL, ...	H. M. HEWISON, <i>Agent.</i>
MAYBOLE, ...	WM. CAMERON, <i>Agent.</i>
MEARNS, (Open on Tuesdays and } Fridays, Sub to Bannhead,) } MILLPORT, ...	HUGH & ARCHD. McEWAN, <i>Agents.</i>
MOFFAT, ...	JAMES MARTIN, <i>Agent.</i>
	ALLAN SOMERVILLE, <i>Agent.</i>
	THOMAS RENNIE, <i>Agent.</i>
	WM. & JAS. POLLOCK, <i>Agents.</i>
	JAMES ROSS, <i>Agent.</i>
	JAMES R. MACGIBBON, <i>Agent.</i>

MONTAIVIE, ...	WM. SMITH, Agent.
NEW PIPERLOO, ...	JAMES SHIFFS, Agent.
PAISLEY, ...	{ WM. ABERCROMBIE, Agent. D. C. BELL, Sub-Agent.
PARTICK, ...	GEORGE SMITH, Agent.
PERTH, ...	ALBERT BUTTER, Cashier.
PETERHEAD, ...	WM. BOYD, Agent.
PITLOCHKE, ...	{ JAMES MITCHELL & HUGH MITCHELL, Joint-Agents.
PORT-GLASGOW, ...	JOHN HOPE, Agent.
PORTSOY, ...	PETER MURRAY, Agent.
RENTREW, ...	WM. HERRON, Agent.
ROSEHEARTY, ...	J. D. SHARP, Agent.
ST. MARGARET'S HOPE, (ORKNEY),	W. T. NORQUAY, Agent.
SCALLOWAY, (SHETLAND—Open on Thurs. and Frid., Sub to Lerwick.)	{ ALEX. MITCHELL, Agent. GABRIEL ALEXANDER, Agent. ROBERT MACLUCKIE, Agent.
STEWARTON, ...	WM. FORREST, Agent.
STIRLING, ...	{ DAVID GUTHRIE & JOHN HUNTER, Joint- Agents.
STONEHOUSE, (Open on Mon., Wed., and Sat., Sub to Larkhall.)	JAMES MILLAR, Agent.
STRANRAER, ...	WILLIAM BAY, Agent.
STRATHVEN, ...	DUNCAN MCLAREN, Agent.
STRONNESS, ...	HARRY ROSS, Agent.
TARBERT, (LOCHFYNE,) ...	DAVID CRICHTON, Agent.
TARLAND, ...	WILLIAM HUNTER, Agent.
THORNHILL, ...	JOHN ANDREW, Agent.
TILlicOUNTRY, ...	W. DUNBAR, Agent.
TROGN, ...	{ ALEX. WARLES, Agent. WM. SMITTON, Sub-Agent.
TURRIFF, ...	
WICK, ...	

10
20
20

BIBLIOGRAPHY

SECTION 1.

MANUSCRIPTS.

- 1.1. The Union Bank of Scotland; Manuscripts held in the Bank of Scotland Glasgow Chief Office.
- 1.2. The Union Bank of Scotland; Manuscripts held in the Bank of Scotland Edinburgh Head Office.
2. The Bank of Scotland; Manuscripts held in the Bank of Scotland Edinburgh Head Office.
- 3.1. Manuscripts held in the University of Glasgow Archives.
- 3.2. Transcript forms of manuscripts held in the University of Glasgow Archives.

SECTION 2.

PERIODICALS.

SECTION 3.

PARLIAMENTARY PAPERS.

SECTION 4.

BOOKS, PAMPHLETS, ARTICLES AND UNPUBLISHED WRITINGS.

ABBREVIATIONS.

B.E.M.	Blackwood's Edinburgh Magazine.
B.H.	Business History.
Ec.H.R.	Economic History Review.
J.E.H.	Journal of Economic History.
J.S.S.	Journal of the Statistical Society.
S.B.M.	Scottish Bankers' Magazine.
S.I.H.	Scottish Industrial History.
S.J.P.E.	Scottish Journal of Political Economy.
T.B.R.	Three Banks Review.

BIBLIOGRAPHYSECTION 1MANUSCRIPTS

1.1. The Union Bank of Scotland; Manuscripts held in the
Bank of Scotland Glasgow Chief Office

Directors' Minute Books, Glasgow Committee,	1830-85 ¹
do. General Board,	1843-53
do. Glasgow A Committee,	1872-85
do. Glasgow B Committee,	1872-85
do. Scroll Books,	1837-47
Annual Reports with Balance Sheets,	1831-85
Contract of Co-partnership with Amendments,	1830
Lists of Shareholders with Lists of Branches,	1858, 1885

Abstract Annual Balances,	1860-65
Abstract Profit and Loss Account; Edinburgh,	
London and Branches,	1863-85
Abstract Quarterly Balances,	1838-64
Accountant's Minute Book,	1879-85
Bills discounted,	1831-35
Calculations of Interest,	1855-85
Claim Books,	1847-85
Deposit Money, Interest on Loans and	
Profit and Loss,	1884-85
Envelop containing Details of Salaries,	1884-85
Gairdner's Incoming Letters,	1883-85 ²
Gairdner's Note Book,	c.1862-85 ²
General Circulars,	1870-85.

1. Type-transcript firm held in U.G.A.

2. Xerox copy held in U.G.A.

General Ledgers,	1843, 1879-84
General Quarterly Balances; Branches,	1862-65
Glasgow & Ship Bank, Directors' Minute Book,	1836, 1842-43
Head Office Circulars,	1860-79
Journal of Investments,	1879-85
Ledgers of Protested Bills,	1861-85
Memoranda of External Auditors,	1879
MSS Salary Records,	mainly 1860's-1880's
Newspaper Cutting Books,	1875-83
Opinion Books,	1864-85
Perth Bank, Directors' Minute Book,	1852-72 ¹
Printed Half Yearly Statements pursuant to the Companies Acts,	1882-85
Printed Interest Tables with MSS Additions,	1836-85
Printed Rates of Discount and Interest,	1854-77
Private Journals,	1830-85
Private Ledgers	1830-85
Profit and Loss Account	1865-85
Protested Bills,	1847-69
Record of Transfers of Stock registered,	1850-85
Secretary's Private Letter Books,	1852-62, 1876-85

1.2. The Union Bank of Scotland; Manuscripts held in the
Bank of Scotland Edinburgh Head Office

Directors' Minute Books, Edinburgh Committee,	1843-85
Edinburgh Local Committee's Minute Books,	1830-38

Document Books, Memoranda, Notes and Instructions,	1839-85
Documents on 1857 Crisis,	1857
Letter Books,	1853-54
Letters from Coutts on 1857 Crisis,	1857
Letters from Glasgow Head Office,	1849-68
Memoranda on Inspections,	1847-69

1. From 1857, Minute Book of the Perth Local Committee.

Private Letter Books,	1838-69
Profit and Loss Account Ledgers,	1854-61, 1871-73
Staff and Salary Records,	1830-40, 1860-85

2. The Bank of Scotland; Manuscripts held in the Bank of Scotland
Edinburgh Head Office

Alexander Blair's Confidential Letters,	mainly 1850's
Documents on 1857 Crisis,	1857-58
Documents on Joint London Office,	1866, mainly 1870's
Documents on Scottish Banks in England, Glasgow Chamber of Commerce, Excerpts of Minute Book,	mainly 1870's 1882, 1884
Meetings of Bank Managers, Excerpts of Minute Book,	1882, 1884
Secretary's Letters,	1857-58
Treasurer's Letters,	1850-79
Western Bank Negotiations,	1857

3.1. Manuscripts held in the University of Glasgow Archives

Gairdner's MSS Papers and Pamphlets,	mainly 1860's-1880's
J. & G. Thomson's MSS Papers,	mainly 1870's-1880's

3.2. Transcript Forms of Manuscripts held in the University
of Glasgow Archives

Bank of Scotland, Directors' Minute Book.		
British Linen Co.,	do.	
Clydesdale Bank,	do.	
Commercial Bank of Scotland,	do.	
National Bank of Scotland,	do.	
Royal Bank of Scotland,	do.	
Union Bank of Scotland,	do.	
Meetings of Bank Managers,	do.	1872-85

Gairdner's Incoming Letters,	1883-85
Gairdner's Note Book,	c.1862-85

(Transcript forms of the Minute Books of the Banks and Meetings of
Bank Managers have been prepared by Mrs. E.O.A. Checkland).

SECTION 2
PERIODICALS

Bailie
Blackwood's Edinburgh Magazine
Economist
Edinburgh Almanac
Glasgow Herald
Glasgow University Calendar
Post Office Glasgow Directory
Scotsman
Scottish Bankers Magazine
Times

SECTION 3
PARLIAMENTARY PAPERS

Select Committee on Banks of Issue,	1841, (366, 410) V
Select Committee on Bank Acts,	1857-58, (381) V
Select Committee on Banks of Issue,	1875, (351) IX

SECTION 4
BOOKS, PAMPHLETS, ARTICLES AND UNPUBLISHED WRITINGS

Acres, W.M.	1931	The Bank of England from within.	London.
Alison, A.	1883	Some Account of My Life and Writings.	Edinburgh.
Alison, R.	1892	Anecdote of Glasgow.	Glasgow & London.
Allan, F.H.	1931	'The Union Bank of Scotland'.	S.B.M.
Anderson, G.	1976	Victorian Clerks.	Manchester.
Anderson, J.L.	1910	The Story of the Commercial Bank of Scotland Limited.	Edinburgh.
Anon. (A Scotch Banker)	1841	Practical Remarks on Currency and Banking.	Glasgow, Edinburgh & London.
	1842	Mercantile Embarrassments and the Present State of the Banking System.	Edinburgh.

- | | | | |
|-----------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Anon. | 1858 | The Western Bank Failure and
the Scottish Banking System. | Glasgow. |
| | 1863 | The Maze of Banking. | Edinburgh
& Glasgow. |
| | 1864 | 'The Economy of Capital'. | B.E.M. |
| | 1864 | 'The City of Gold'. | B.E.M. |
| | 1879 | City of Glasgow Bank Publications. | Edinburgh
& London. |
| | 1883 | Lord Provosts of Glasgow. | Glasgow. |
| | 1884 | The Adam Smith Club. | n.p. |
| | 1886 | One Hundred Glasgow Men. | Glasgow. |
| | 1891 | Glasgow and Its Environs. | London. |
| | 1896 | Old Glasgow. | Glasgow. |
| | 1904 | Charter of Incorporation, Bye-Laws,
Rules and Regulations of the
Institute of Accountants and
Actuaries in Glasgow. | Glasgow. |
| | 1910 | Brief Historical Sketch of the
Union Bank of Scotland Limited. | Glasgow. |
| | 1910 | 'Robert Blyth'. | S.B.M. |
| | 1912 | 'Arthur C.D. Gairdner'. | S.B.M. |
| | 1930 | 'A Notable Centenary: The Union
Bank of Scotland Ltd.' | S.B.M. |
| | 1935 | The Gas Supply of Glasgow. | Glasgow. |
| | 1942 | Our Bank: The Story of the
Commercial Bank of Scotland Ltd. | Edinburgh. |
| | 1957 | 'The Nineteenth-Century Banker's
Clerk'. | T.B.R. |
| | 1960 | 'The Glasgow Financial Scene:
Early 19th Century'. | T.B.R. |
| | n.d. | Sketch of the Life of Charles
Gairdner. | n.p. |
| Ashton, T.S. | 1953 | 'The Bills of Exchange and Private
Bankers in Lancashire'. | in Ashton
& Sayers ed. |
| Ashton, T.S.
and
Sayers, R.S. ed. | 1953 | Papers in English Monetary History. | Oxford. |

- | | | | |
|------------------|----------|--------------------------------------|------------|
| Bagehot, W. | 1873 | Lombard Street. | London. |
| Bailey, J.D. | 1959 | 'Australian Borrowing in Scotland | Ec.H.R. |
| | - 60 | in the Nineteenth Century'. | |
| | 1966 | A Hundred Years of Pastoral Banking. | Oxford. |
| Bailey, W.H. | 1947 | A Chronicle of the Family of | n.p. |
| | | Gairdner of Ayrshire, Edinburgh | |
| | | and Glasgow. | |
| Barclay, H. | 1873 | Memoir of Mr. George Baillie. | Glasgow. |
| Barker, T.C. | 1974 | An Economic History of Transport | London. |
| & Savage, C.I. | | in Britain. | |
| Barrow, G.L. | 1975 | The Emergence of the Irish Banking | Dublin. |
| | | System. | |
| Bell, G.M. | 1855 | The Philosophy of Joint-Stock | London. |
| | | Banking. | |
| Blackie, A.A.C. | 1959 | Blackie & Son. | London. |
| Boase, C.W. | 1867 | A Century of Banking in Dundee. | Edinburgh. |
| Bolitho, H. | 1967 | The Drummonds of Charing Cross. | London. |
| & Peel, D. | | | |
| Bowan, W.D. | 1937 | The Story of the Bank of England. | London. |
| Brown, J. | 1848 | Observations on Mr. Kinnear's | Glasgow. |
| | | 'History of the Rise of Exchange | |
| | | Companies in Scotland'. | |
| Brown, P.L. ed. | 1941 | Clyde Company Papers. | Oxford. |
| Buchanan, J. | 1884 | Banking in Glasgow during the Olden | Glasgow. |
| (Glasguensis) | | Time. | |
| Burke, B. | 1900 | A Genealogical and Heraldic History | London. |
| | | of the Landed Gentry of Great | |
| | | Britain. | |
| Byres, T.J. | 1967 | 'Entrepreneurship in the Scottish | in Payne |
| | | Heavy Industries'. | ed. |
| Cairncross, A.K. | 1954 | The Scottish Economy. | Cambridge. |
| Cameron, R. ed. | 1967 | Banking in the Early Stages of | London. |
| | | Industrialization. | |
| | ed. 1972 | Banking and Economic Development. | London. |
| Campbell, R.H. | 1955 | 'Edinburgh Banks and the Western | S.J.P.E. |
| | | Bank of Scotland'. | |
| | 1955(a) | 'Developments of the Scottish | J.E.H. |
| | | Pig Iron Trade'. | |

- Campbell, R.H. 1965 Scotland since 1707. Oxford.
 1967 'The Law and the Joint Stock in Payne
 Company in Scotland'. ed.
 1980 The Rise and Fall of Scottish Edinburgh.
 Industry.
- Campbell, R.H. 1968 Source Book of Scottish Economic Oxford.
 & Dow, J.B.A. and Social History.
- Cargill, A. ed. 1910 The Centenary of Savings Banks. Edinburgh.
 Carrick, R. 1898 Will. Glasgow.
- Carter, E.F. 1959 An Historical Geography of the London.
 Railways of the British Isles.
- Chandler, G. 1968 Four Centuries of Banking. London.
- Checkland, E.O.A. 1980 Philanthropy in Victorian Scotland. Edinburgh.
- Checkland, S.G. 1964 The Rise of Industrial Society in London.
 England.
 1967 The Mines of Tharsis. London.
 1968 'Banking and Economic Development'. S.J.P.E.
 1975 Scottish Banking. Glasgow.
 1976 The Upas Tree. Glasgow.
- Checkland, S.G. 1973 Scottish Banking Data. unpublished.
 & MacDonald, A.B.
- Church, R.A. 1975 The Great Victorian Boom. London.
- Clapham, J. 1944 The Bank of England. London.
- Clydesdale Bank 1838 Contract of Co-partnery Glasgow.
- Coleridge, E.H. 1920 The Life of Thomas Coutts. London.
- Collins, M. 1979 'Provincial Bank Lending'. Bulletin
 & Hudson, P. of Econ-
 omic
 Research.
 Glasgow.
- Conolly, M.F. 1869 Fifiana. Glasgow.
- Corti, C. 1928 The Rise of the House of London.
 Rothschild.
 1928 The Reign of the House of London.
 Rothschild.
- Cottrell, P.L. 1975 British Overseas Investments in London.
 the Nineteenth Century.
 1980 Industrial Finance. London.
- Cottrell, P.L. 1974 Money and Banking in England. London.
 & Anderson, B.L.
- Crathorne, N. 1973 Tennant's Stalk. London.

- Crick, W.F. & 1958 A Hundred Years of Joint Stock London.
Wadsworth, J.E. Banking.
- Cunnison, J. & 1958 Glasgow. Glasgow.
Gilfillan, J.B.S.
ed.
- Daiches, D. 1977 Glasgow. London.
- Deane, P. 1969 British Economic Growth. Cambridge.
& Cole, W.A.
- Dennistoun, J.W. 1906 Some Account of the Family of Glasgow.
Dennistoun and Colgrain.
- Devine, T.M. 1975 The Tobacco Lords. Edinburgh.
- Dickson, T. ed. 1980 Scottish Capitalism. London.
- Dilke, M.S. & 1959 The County of Dumbarton. Glasgow.
Templeton, A.A. ed.
- Donald, T.F. 1924 The Western Club. Glasgow.
- Downie, R. 1915 'Financial Crises and the S.B.M.
Lesson they teach'.
- Dun, J. 1876 'On the Analysis of Joint Stock J.S.S.
Banking in the United Kingdom'.
- Ellinger, B. 1940 The City. London.
- Farrow, T. 1911 Banks and People. London.
- Feaveryear, A. 1963 The Pound Sterling. Oxford.
- Fetter, F.W. 1960 'The Economic Articles in S.J.P.E.
Blackwood's Edinburgh Magazine
and Their Authors'.
- 1965 Development of British Monetary Cambridge
Orthodoxy. (Mass.).
- Fleming, J.S. 1877 Scottish Banking. Edinburgh
& London.
- Fletcher, G.A. 1976 The Discount Houses in London. London.
- Forbes, R.N. 1966 'Overend, Gurney & Co.' S.B.M.
- Forbes, W. 1860 Memoirs of a Banking House. Edinburgh
& London.
- Francis, J. 1849 Chronicles and Characters of London.
the Stock Exchange.
- Freebairn, C.F. 1924 'An Old Banking Institution; S.B.M.
the Paisley Union Bank.
- 1924(a) 'Virginia Street and its S.B.M.
Environs; A Glasgow Banking
Centre of the Past'.
- Fulford, R. 1953 Glyn's. London.

Gairdner, C.	1866	Paper Money.	n.p.
	1873	The Rate of Discount and the Bank Acts.	Glasgow.
	1877	Fluctuations in Trade,	Glasgow.
	1886	Economy in the Use of Gold as practised in Scotland.	Glasgow.
	1888	Constitution and Course of the Money Market.	Glasgow.
	1889	The Royal Commission on Gold and Silver.	Glasgow.
	1890	National Gold Reserves.	Glasgow.
	1891	The Making of the Gold Reserves.	Glasgow.
	1892	Mr. Goschen's Scheme for Reform of the Bank Acts.	Glasgow.
Gairdner, C.D.	1857	Letter to the Right Honourable the Earl of Eglinton.	Ayr.
	1902	Autobiography.	Kilmarnock.
Gairdner, H.	n.d.	Stories and Conversations from Real Life &c.	unpublished.
Gaskin, M.	1955	Note Issue in Scottish Banking.	M.A. Thesis, Liverpool.
	1960	'Anglo-Scottish Banking Conflicts'.	Ec.H.R.
	1965	The Scottish Banks.	London.
Gilbart, J.W.	1836	The History of Banking in Ireland.	London.
	1849	A Practical Treatise on Banking.	London.
	1907	The History, Principles and Practice of Banking (E. Sykes ed.)	London.
Gillet Bros. Discount Co.	1952	The Bills on London.	London.
Giuseppi, J.	1966	The Bank of England.	London.
Glasgow Stock Exchange Association	1898	Records of the Glasgow Stock Exchange Association.	Glasgow.
Gourvish, T.R.	1969	'The Bank of Scotland'.	S.J.P.E.
	1980	Railways and the British Economy.	London.
Gourvish, T.R. & Reed, M.C.	1971	'Financing of Scottish Railways before 1860'.	S.J.P.E.
Graham, W.	1911	The One Pound Note in the History of Banking in Great Britain.	Edinburgh & London.

Gregory, T.E.	1929	Select Statues, Documents and Reports relating to British Banking.	Oxford.
Hall, F.G.	1949	The Bank of Ireland.	Dublin.
Hamilton, H.	1932	The Industrial Revolution in Scotland.	Oxford.
Hankey, T.	1887	The Principles of Banking.	London.
Harley, J.A.	1957	'James Lumsden'.	S.B.M.
Henderson, T.	1936	The Savings Bank of Glasgow.	Glasgow.
Hidy, R.W.	1949	The House of Baring in American Trade and Finance.	Cambridge (Mass.).
Hogg, J.	n.d.	Fortunes Made in Business.	London.
Holgate, H.C.F.	1948	English Bank Accounting.	London.
Homer, S.	1963	A History of Interest Rates.	New Jersey.
Horne, H.O.	1947	A History of Savings Banks.	Oxford.
Horsefield, J.K.	1953	'The Origins of the Bank Charter Act'.	in Ashton & Sayers, ed.
Hughes, J.	1906	Liverpool Banks and Bankers.	Liverpool & London.
Hume, J.R.	1976	Industrial Archaeology of Scotland.	London.
Hume, J.R. & Moss, M.S.	1975	Clyde Shipbuilding.	London.
Irving, J.	1881	The Book of Eminent Scotsmen.	Paisley.
Jack, W.C.	1902	Correspondence &c respecting Sir Donald Currie and His Management.	n.p.
Jeans, J.S.	1872	Western Worthies.	Glasgow.
Jenks, L.H.	1963	The Migration of British Capital to 1875.	London.
Johnston, T.	1929	A History of the Working Classes in Scotland.	Glasgow.
Joplin, T.	1827	An Essay on the General Principles and Present Practice of Banking in England and Scotland.	London.
Keir, D.ed.	1966	The City of Edinburgh.	Glasgow.
Keith, A.	1936	The North of Scotland Bank.	Aberdeen.
Kellas, J.G.	1980	Modern Scotland.	London.

- | | | | |
|--------------------------------|------|-------------------------------------------------------------------------------------------------|----------------------------------------|
| Kellet, J.R. | 1979 | Railways and Victorian Cities. | London. |
| | n.d. | Glasgow. | London. |
| Kennedy, G.G.C. | 1955 | 'The Union Bank of Scotland Ltd.' | S.B.M. |
| Kennedy, I.M. | 1956 | 'Charles William Boase'. | S.B.M. |
| Kerr, A.W. | 1898 | Scottish Banking during the Period
of Published Accounts. | London. |
| | 1926 | History of Banking in Scotland. | London. |
| Kindleberger, C.P. | 1974 | The Formation of Financial Centers. | Princeton. |
| King, W.T.C. | 1936 | History of the London Discount
Market. | London. |
| Kinnear, G. | 1847 | Banks and Exchange Companies. | Glasgow. |
| | 1848 | A History of the Rise of Exchange
Companies in Scotland. | Glasgow. |
| Kinnear, J.G. | 1847 | The Crisis and the Currency. | London. |
| Kita, M. | 1977 | 'The Scottish Banking Invasion
of England'. | Soka Economic
Studies
Quarterly. |
| Knowles, L.C.A. | 1930 | The Industrial and Commercial
Revolutions in Great Britain
during the Nineteenth Century. | London. |
| Knox, J. | 1927 | The Triumph of Thrift. | Airdrie. |
| Lawson, W.J. | 1855 | A History of Banking. | London. |
| Leighton-Boyce,
J.A.S.L. | 1958 | Smiths the Bankers | London. |
| Lenman, B. | 1977 | An Economic History of Modern
Scotland. | London. |
| Leslie, J.O. | 1955 | 'Alexander Blair'. | S.B.M. |
| Liquidator of
Western Bank. | 1872 | Debate in Causa. | Glasgow. |
| Livingstone, P.K. | 1955 | A History of Kirkcaldy. | Kirkcaldy. |
| Logan, W.H. | 1844 | The Scottish Banker. | Edinburgh. |
| Malcolm, C.A. | 1945 | The Bank of Scotland. | Edinburgh. |
| | 1950 | The History of the British
Linen Bank. | Edinburgh. |
| Malloch, D.M. | 1912 | The Book of Glasgow Anecdote. | Edinburgh
& London. |
| Marriner, S.ed. | 1978 | Business and Businessmen. | Liverpool. |
| Marwick, W.H. | 1936 | Economic Developments in Victorian
Scotland. | London. |

Mathew, E.	1958	'James Dennistoun of Golfhill'.	S.B.M.
Mathias, P.	1969	The First Industrial Nation.	London.
Merchant House of Glasgow	1866	View of the Merchant House of Glasgow.	Glasgow.
Metropolitan College.	n.d.	The Banking Students' Note Book.	St.Albans.
Miller, R. & Tivy, J.ed.	1958	The Glasgow Region.	Glasgow.
Mitchell, B.R. & Deane, P.	1976	Abstract of British Historical Statistics.	Cambridge.
Mitchell, J.O.	1905	Old Glasgow Essays.	Glasgow.
Mitchell, W.	1878	Our Scotch Banks.	Edinburgh.
Mitchison, R.	1962	Agricultural Sir John.	London.
Michie, R.C.	1978	The Scottish Stock Exchanges in the 19th Century.	Ph.D. Thesis, Aberdeen.
Morgan, E.V. & Thomas, W.A.	1962	The Stock Exchange.	London.
Morris, J.A.	1940	A Romance of Industrial Engineering.	Kilmarnock.
Moss, M.S. & Hume, J.R.	1977	Workshop of the British Empire.	London & Edinburgh.
Munn, C.W.	1975	'The Origin of the Scottish Note Exchange'.	T.B.R.
	1976	The Scottish Provincial Banking Companies.	Ph.D. Thesis, Glasgow.
	1981	The Scottish Provincial Banking Companies.	Edinburgh.
	1981(a)	'Scottish Provincial Banking Companies; An Assessment'.	B.H.
	1981(b)	Scotland: The Coming of Joint Stock Banking.	Monetary History Group Conference.
Munro, A.	1960	Book-Keeping and Accountancy.	London.
Munro, L.S.M.	1975	'The Scotch Banks in London (The first prize-given essay of the Institute of Bankers in 1878)'.	S.B.M.
Munro, N.	1928	The History of the Royal Bank of Scotland.	Edinburgh.
Murray, N.	1978	The Scottish Hand Loom Weavers.	Edinburgh.

- | | | | |
|-------------------------|---------|---------------------------------------------------------------------------------------|---------------------|
| M'Dowall, J.K. | 1899 | The People's History of Glasgow. | Glasgow. |
| MacFarlan, J.F. | 1866 | Our Monetary Affairs. | Edinburgh. |
| M'Kechnie, S.M. | 1951 | 'Ayrshire Banking Companies and their Successors'. | S.B.M. |
| Mackenzie, H. | 1953 | The City of Aberdeen. | Edinburgh. |
| Mackenzie, K. | 1909 | 'Scottish Bank Crises'. | S.B.M. |
| Mackenzie, P. | 1866 | Reminiscences of Glasgow. | Glasgow. |
| MacKinnon, J. | 1921 | The Social and Industrial History of Scotland. | London. |
| MacLeod, D. | n.d. | Historic Families, Notable People and Memorabilia of Leven, Loch Lomond and Cardross. | Dumbarton. |
| MacLeod, H.D. | 1889 | The Theory of Credit. | London. |
| MacMillan, D.S. | 1967 | Scotland and Australia. | Oxford. |
| | 1967(a) | 'Scottish Enterprise in Australia'.in Payne ed. | |
| | 1970 | 'The Transfer of Company Control from Scotland to London in the Nineteenth Century'. | B.H. |
| Nevin, E. & Davis, E.W. | 1970 | The London Clearing Banks. | London. |
| Nishimura, S. | 1971 | The Decline of Inland Bills of Exchange in the London Money Market. | Cambridge. |
| Oakley, C.A. | 1946 | The Second City. | London & Glasgow. |
| Palgrave, R.H.I. | 1903 | Bank Rate and the Money Market. | London. |
| Patterson, R.H. | 1865 | The Economy of Capital. | Edinburgh & London. |
| | 1868 | The Science of Finance. | Edinburgh & London. |
| | 1882 | The New Golden Age. | Edinburgh & London. |
| Payne, P.L. ed. | 1967 | Studies in Scottish Business History. | London. |
| | 1974 | British Entrepreneurship in the Nineteenth Century. | London. |
| | 1979 | Colvilles and the Scottish Steel Industry. | Oxford. |
| | 1981 | The Early Scottish Limited Companies. | Edinburgh. |
| Pennycook, P.W. | 1910 | 'Early Banking in Glasgow'. | S.B.M. |

- | | | | |
|-----------------|------|-------------------------------------------------------------|--------------------------|
| Powell, E.T. | 1966 | The Evolution of the Money Market. | London. |
| Pressnell, L.S. | 1956 | Country Banking in the Industrial Revolution. | Oxford. |
| Rae, G. | 1885 | Country Banker. | London. |
| Rait, R.S. | 1930 | The History of the Union Bank of Scotland. | Glasgow. |
| Ramsay, A.A.W. | 1928 | Sir Robert Peel. | London. |
| Reader, W.J. | 1966 | Professional Men. | London. |
| Reed, M.C. ed. | 1969 | Railways in the Victorian Economy. | Devon. |
| | 1975 | Investment in Railways in Britain. | Oxford. |
| Reid, J.M. | 1938 | The History of the Clydesdale Bank. | Glasgow. |
| | n.d. | A History of the Merchants House of Glasgow. | Glasgow. |
| Renwick, R. | 1908 | Glasgow Memorials. | Glasgow. |
| | 1916 | Extracts from the Records of the Burgh of Glasgow, vol. XI. | Glasgow. |
| Richardson, R. | 1900 | Coutts and Co. | London. |
| Robertson, P.L. | 1974 | 'Shipping and Shipbuilding'. | B.H. |
| Saul, S.B. | 1978 | The Myth of the Great Depression. | London. |
| Sayers, R.S. | 1957 | Lloyds Bank in the History of English Banking. | Oxford. |
| Scammell, W.M. | 1968 | The London Discount Market. | London. |
| Sellar, E.M. | 1907 | Recollections and Impressions. | Edinburgh. |
| Senex, | 1856 | Glasgow Past and Present. | Glasgow. |
| Simpson, N. | 1975 | The Belfast Bank. | Belfast. |
| Slaven, A. | 1975 | The Development of the West of Scotland. | London. |
| Smellie, T. | 1931 | 'The First Banks and Bankers of Kilmarnock'. | The Kilmarnock Standard. |
| Smith, A. | 1776 | The Wealth of Nations (ed. A. Skinner 1974). | Harmondsworth. |
| Smout, T.C. | 1972 | A History of the Scottish People. | Glasgow. |
| ed. | 1979 | The Search for Wealth and Stability. | London. |
| Somers, R. | 1873 | The Scotch Banks and System of Issue. | Edinburgh. |
| Somerville, T. | 1891 | George Square. | Glasgow. |
| Spalding, W.F. | 1924 | The London Money Market. | London. |
| Spender, J.A. | 1923 | The Life of the Right Hon. Sir Henry Campbell-Bannerman. | London. |

- | | | | |
|------------------------------|--------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| Stewart, G. | 1881 | Curiosities of Glasgow Citizenship. | Glasgow. |
| | 1883 | Progress of Glasgow. | Glasgow. |
| Stirling, J. | 1865 | Practical Considerations on
Banks and Bank Management. | Glasgow. |
| Sykes, J. | 1926 | The Amalgamation Movement in
English Banking. | London. |
| Tennant, C.G.D. | 1979 | 'The Gairdner Correspondence'. | S.I.H. |
| | 1980 | 'The Gairdner Letters'. | S.B.M. |
| Thomas, J. | 1971 | Scotland; The Lowlands and the
Borders (A Regional History of the
Railways of Great Britain, VI). | Devon. |
| Thomas, S.E. | 1934 | The Rise and Growth of Joint
Stock Banking. | London. |
| Thomson, W. &
Jones, R.W. | 1965 | Dictionary of Banking. | London. |
| Tyson, R.E. | 1967 | 'Scottish Investment in American
Railways'. | in Payne
ed. |
| | 1971-2 | 'The Failure of the City of
Glasgow Bank'. | Newsletter,
Business
Archives
Council of
Scotland. |
| | 1974 | 'The Failure of the City of
Glasgow Bank and the Rise of
Independent Auditing'. | Accountants'
Magazine. |
| Union Bank of
Scotland | 1947 | The Arms Granted to the Union
Bank of Scotland, Limited. | Glasgow. |
| Vamplew, W. | 1970 | 'Sources of Scottish Railway Share
Capital before 1860'. | S.J.P.E. |
| | 1971 | 'Financing of Scottish Railways
before 1860: a reply'. | S.J.P.E. |
| Viner, J. | 1937 | Studies in the Theory of
International Trade. | London. |
| Wallace, A. | 1889 | Popular Traditions of Glasgow. | Glasgow
& London. |
| Wallace, W. ed. | 1905 | Trial of the City of Glasgow
Bank Directors. | Glasgow. |
| Whale, P.B. | 1953 | 'A Retrospective View of the
Bank Charter Act, 1844'. | in Ashton
& Sayers,
ed. |

Ward, J.T. 1968 'Charles W. Boase'.

Dundee
Abertay
Historical
Society.

Whitehead, M.A. 1978 The Western Bank and the Crisis
of 1857.

M.Litt.
Thesis,
Strathclyde.

